# Labour Monthly

EDITED BY R. PALME DUTT

## THE CRISIS

## the Communist Congress and the T.U.C.

R.P.D.
HARRY POLLITT
J. R. CAMPBELL

OCTOBER 1938 SIXPENCE

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# LABOUR MONTHLY

*A Magazine of International Labour*

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# NOTES OF THE MONTH

*The Fight is Here—Chamberlain and the Barbarians—Pulling Down the Dykes of Peace—The Gambler's Throw—"Does Anyone Imagine?"—Czechoslovakia and Peace—Fascism's "Fifth Column" Tactics—War-Scares and Nazi Propaganda—Chamberlain's "Fifth Column" Job—Blackpool Trades Union Congress—Where Leadership Failed—The Sequel of History—The Final Estimate—Hitler's Dilemma—Chamberlain to Hitler's Rescue—British Reaction's Policy—Illusions on the Left—The Lesson for the Future—Communist Party Congress—The Fight for Peace—The People's Front—Electoral Pacts and the People's Movement—Problems of the Trade Unions—The Communist Party—Facing the Future*

THE fight for the whole future of the peoples of Europe and the world is now entering its grimmest reality. The masks are dropping from the faces of the actors ; the lines of the battle should be clear to the blindest. Every prediction, every warning by revolutionary Marxism over these seven years of the outcome of the policies of capitulation, of the real war aims of Chamberlain and Hitler, is now receiving its fulfilment. No longer in concealment, but in direct and publicly proclaimed close confabulation, Hitler and Chamberlain meet to forge their common policies and announce their decisions for the destruction of democracy and peace in Europe. France is called in like a subordinate to receive the decision after it has been reached ; for Czechoslovakia there is not even the pretence of consultation, but only the communication of a Diktat in the shape of an ultimatum ; communication with the Soviet Union is cut out. The cynical plan to carve up the living body of Czechoslovakia in order to hew out a free path for the Nazi hordes has given a shock

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to every people in the world. All can feel, even those who were still hesitant over the warnings of China, of Abyssinia and of Spain, that the last stage of the road is now being reached. If this plan goes through, the path of Nazi general war is as plain and open as a high road. Will the British and French peoples awaken in time at the twelfth hour to their responsibilities, by every weapon to defeat this policy of their rulers, to stand by Czechoslovakia and make that united stand for peace which can alone save peace? On the answer to this question, for which the ensuing days before these lines appear will already be crucial, the outcome now depends.

CHAMBERLAIN'S final betrayal of civilisation to barbarism, signalised in his plan to sell out Czechoslovakia to Hitler, will rank with those acts of history like the calling in of the barbarians by the later Roman Emperors. The corrupt Anglo-French oligarchy is engaged in working to destroy that State to which they gave legal existence twenty years ago. They are tearing down the pillars of the whole peace system which they created after the war over the bones of millions of dead. If Clemenceau and Foch came back to life, who thought they had left an unshakable structure of power to hold down a disarmed and powerless Germany, they would be hard put to it to understand the apparent insanity of their successors, who have since the coming of Hitler steadily rebuilt the power of Germany and as tirelessly pulled down their own.

BUT there is method in the madness. With cynical consistency underlying the apparent abrupt transformation of policy, these statesmen of reaction are working to destroy Czechoslovakia, the last bastion of democracy and peace in Central Europe, for the same reason that they brought it into existence as a State twenty years ago—because it is the strategic key to Central Europe and therefore to the domination of Europe. Then its existence appeared essential to them as the dam against the expansion of the German tide eastwards. To-day its destruction appears to them as no less essential, because it is seen as the dam against the expansion

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of fascism. Therefore they are pulling down the dam ; they are pulling down the dykes of peace.

THEY pursue this policy recklessly, even to the manifest risk of their own peoples and States, and to the consternation of many of their diplomatic and military experts, because they have reached to a stage in the deepening contradictions of the crisis of capitalism when they feel the old calculations no longer apply in the old way ; when, with their consciousness of the doom of their decaying régime now staggering into new economic crisis, with their knowledge of the rising anger of the peoples and demand for a peace front which would in fact stem the expansion of fascism and thus lead to its downfall, they begin to see the only way out from their dilemmas in the gamblers' throw to unloose the brigand hordes of fascism over Europe as the last means to break the front of the peoples, stave off the advent of socialism and hold the masses in subjection. With anxious care, with cajolery and conciliation and concessions, they look hopefully to the barbarian armies of bloodthirsty violence to smash the citadel of socialism. They forget that, when the barbarians were called in to their aid by those later Roman Emperors, it was the barbarians who destroyed the Empire.

"DOES anyone imagine," demanded Sir Walter Citrine at the Blackpool Trades Union Congress, "that these arms are to be used to help Germany conquer Czechoslovakia ?" He was answering those critics of the General Council's support of Chamberlain over rearmament, who alleged that the power of British arms under Chamberlain might be used in support of fascist aggressors. He explained that he had put the question directly to the Prime Minister :

> The Prime Minister asked us what Fascist Powers we had in mind, and I frankly confess that I couldn't tell him. After all, does anyone imagine that these arms are to be used to help Germany conquer Czechoslovakia ?

That was on September 6. On September 21, at 2 o'clock in the morning, the British Minister at Prague presented himself in full dress to the President of Czechoslovakia and delivered what the entire British Press described as an "ultimatum."

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The ultimatum was to the effect that Czechoslovakia must immediately surrender to Germany. Sir Walter Citrine has had his answer. It did not need to come from his critics ; it came from Chamberlain. Seldom has history presented a more damningly precise reply to the fool's paradise of servility to the ruling class and blindness to realities in which these leaders have been living. But the cost of the education is too expensive. Is it not time that the entire Labour Movement should end once and for all these apologias for Chamberlain and learn to fight the enemy before all is lost ?

THE question of Czechoslovakia is the question of the future war in Europe. This is by now clear to all, even to those super-imperialists and their handful of " pacifist " friends who were so docilely repeating Nazi propaganda, and, securely based on the real oppression of four hundred millions in the British Empire, were all worked up over the alleged wrongs of the three million Sudeten Germans enjoying equal citizenship and full democratic rights. The Sudetenland is a strategic question. The domination of those fortified forest-clad heights is the domination of Central and South Eastern Europe. These fortifications, built at enormous expense, have represented Europe's first line of defence against Nazi war. Chamberlain's plan to give them away to Hitler is equivalent to the sacrifice of hundreds of thousands and millions of lives in a future struggle. For this reason Czechoslovakia has been the pivot of the peace system in Europe. The peace front in Europe has been built on the united stand of France with Czechoslovakia and the Soviet Union. So long as this front holds, all the war plans of *Mein Kampf* cannot be realised. Therefore Hitler's first attack must necessarily be to isolate and break Czechoslovakia in order to break the peace front and establish his base for European war. On May 21 he gathered his forces for the frontal attack on Czechoslovakia. But the peace front held ; he had to postpone his attack.

IT is from this point that the decisive rôle of Chamberlain in the present crisis as the destroyer of peace in Europe

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stands out. What Hitler could not accomplish by force from without Chamberlain set himself to accomplish by treachery from within. From May 28 Hitler instituted his preparations with the vast fortifications work on the West in order to immobilise France, the military preparations on the Czech frontier, and, as the decisive period drew closer, the mobilisation of close on one-and-a-half million men under arms. Nevertheless, all this military preparation could not in itself have availed against a united peace front of Britain, France and the Soviet Union with Czechoslovakia, as was freely recognised by the experts on both sides, including by General Beck, the Chief of the German General Staff who had to leave his post because he pointed out the danger, from any normal strategic point of view, of risking a confrontation so suicidally unfavourable for Germany. But the professional military tactician had evidently failed to grasp the distinctive new method of fascist tactics, made possible by the decaying rottenness of the capitalist régime in its last stages—to conquer, not simply by the old methods of superior direct force and technique alone, but mainly by the under-cover aid of their hidden allies on the other side, by the Chamberlains in Britain and the Flandins in France, even as they had hoped to use the Tukhachevskys in the Soviet Union (the Soviet people have, however, found a more rapid and effective method to deal with their Tukhachevskys than the British people have yet found to deal with their Chamberlains).

THE military preparations for a Nazi offensive in the autumn were noisily advertised by Hitler and Goering during the summer and early autumn with every device of publicity in a ceaseless crescendo. The purpose of this remarkable publicity was obvious : to break the nerves of the other side and create an atmosphere of war-panic in the peace-loving populations, leading to a weakening and demoralisation of the democratic forces of the peace front. If the illusion could be created that the firm maintenance of the peace front meant the certainty of war, then a favourable situation could be created for blackmailing concessions which could step by step undermine the peace front and thus in reality open the

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way to war. These tactics had a certain measure of success with some of the more unstable democratic peace forces, who, under the influence of Nazi propaganda, began to see in the peace front, not the only guarantee of peace, but the basis of possible future world war and to look desperately for a "way out." This propaganda, emanating from the Nazi machine, and repeated in identical terms by Hitler, by Chamberlain, by a section of "pacifists" and by the Trotskyists (against the "left war-mongers") was the preliminary ideological barrage to undermine the peace front and prepare the way for fascism's offensive.

UNDER cover of this Chamberlain set to work to do his part of the job, to undermine the peace front in the guise of the "lover of peace," terrified of Hitler's threats, and anxious to concede everything. On this basis he worked to paralyse France, to separate France from Czechoslovakia and both from the Soviet Union, and to disrupt Czechoslovakia from within by the aid of the Runciman Mission, which was forced on the Czech Government against its will, deliberately elevated Henlein to independent sovereign status, and, in accordance with Chamberlain's principles of always concentrating the attack on the victim of aggression, exercised its pressure, never on Berlin, but always on Prague. One word from Chamberlain of a definite stand with France and the Soviet Union against any attack on Czechoslovakia would have ended the crisis. This word was never spoken. Under the most elaborate equivocations and ambiguous statements, culminating in Simon's Lanark speech, Chamberlain kept France and Czechoslovakia in trembling suspense by refusing to give any definite promise of support, while at the same time continually extorting bigger concessions for Hitler in the hope that each concession would lead to a definite pledge, only for his victims to find that each concession was followed by the demand for a bigger concession as the price of the support that never came. These were the diplomatic methods of Chamberlain to sap and undermine from within the peace front, which in a military sense had been impregnable. And here arose the greatest fault and

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responsibility of the labour and democratic forces in Britain, that they tolerated this policy of Chamberlain ; that, while they correctly supported the principle of the peace front in the abstract, they at the same time supported and applauded the Runciman Mission, which was undermining the Peace Front.

THIS fatal failure of leadership of the labour and democratic forces was revealed at the Blackpool Trades Union Congress. On Blackpool fell the greatest responsibility in the gathering crisis. The Industrial Correspondent of the *Daily Herald* correctly stated :

> The T.U.C. exerts a weighty influence in national and international affairs. Its power was never greater, and its decisions will be carefully noted not only in Whitehall, but in the Chancelleries of Europe.

In that fateful second week of September the two simultaneous Congresses of Blackpool and Nuremberg represented the two poles. Blackpool, the Congress of the British working class, confronted with Chamberlain and his alliance with fascism, had the responsibility of leadership, not only before the British Labour movement, but before the whole British people, and before the peace forces of the world, to rally the peace front, to mobilise the international working class, to sound the call to the fight against the Chamberlain-Hitler plot for the destruction of peace and democracy, to bring to bear the whole power of the trade union and labour movement, supported by the whole British people, in order to force through that transformation of British policy which could alone save the situation.

NOT through any lack of will of the mass of the delegates, whose feelings were overwhelmingly shown, but under the extreme pressure of a section of the leadership who favoured close collaboration with Chamberlain, Blackpool failed in this responsibility and therefore bears a heavy burden for what has followed. The three Executives met for hours ; there was sharp division of opinion ; but the opposition to any special campaign which might embarrass Chamberlain carried the day. The secret session followed. A declar-

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ation of policy was adopted which correctly stated the principles of the peace front, called for the united stand of Britain, France and the Soviet Union against aggression, and " urged " the British Government to make such a declaration. But there was no call to the fight which was decisive for the whole issue, the fight against Chamberlain and his policy of alliance with Hitler, against the pro-Henlein Runciman Mission, against the betrayal of Czechoslovakia which was preparing.

THE attack was turned against those unions which demanded a special conference, which demanded a special campaign and which expressed suspicion of re-armament in Chamberlain's hands. The risk and constitutional incorrectness of any attempt by the working class to use its power to force through a change in the Government's policy was carefully pointed out (the real and greater risk of the failure to force through such a change is now beginning to become understood). The overwhelming almost unanimous endorsement of the General Council's policy on rearmament (which had in fact saved Chamberlain in the March crisis) was accompanied by speeches from the official leader of the General Council, Sir Walter Citrine, which amounted to a blank cheque of confidence in Chamberlain as the champion of democracy against fascism. Thus once again—always in the name of the fight against fascism—the effect was created of a united nation behind Chamberlain. The consequences were immediate. Chamberlain took note. Hitler took note. They lost no time to act. The headlong events of the present crisis (Hitler's Nuremburg speech, Henlein's ultimatum, Chamberlain's flight to Hitler, and the plan for the destruction of Czechoslovakia) followed immediately after Blackpool as the grim commentary on Citrine's confidence in Chamberlain.

IF we were only concerned with the internal situation of the trade unions and the working-class movement, Blackpool registered an advance. The declaration on foreign policy was an undoubted advance on previous declarations. The adoption of the Locomotive Engineers' resolution for " effective steps by the entire trade union movement " to compel

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the raising of the ban on arms to Spain was carried unanimously against the originally intended opposition of the General Council. 1,493,000 votes were registered against the General Council's Oslo vote for the rupture of negotiations with the Soviet Union ; and the subsequent unanimous adoption of the Tailors' and Garment Workers' resolution for renewed efforts to establish international trade union unity was equivalent to a demand for rescinding that rupture. There was more powerful, informed and critical militant expression than for many years, with a wide body of support from the delegates. All this is of profound importance for the future. The sense of this advance has led some on the left to question the correctness of a sharp critical estimate of the central political outcome of Blackpool. We can afford no illusions on this ; its understanding is vital to every trade unionist and for the whole future fight. The urgency of the present crisis throws the most direct responsibility on the British working-class. The failure of leadership at Blackpool bears a heavy responsibility for all that has followed.

AT Nuremberg Hitler was not yet completely confident, despite all the sabotage that had already been accomplished by Chamberlain and Runciman, to advance to the direct attack which the world was awaiting. He still feared the strength of the peace front, and he had no intention to encounter a fatal direct collision. Therefore he blustered, he threatened, he bullied ; he complained that the whole world was united against him ; he proclaimed his desire for peace with France and peace with Britain, and concentrated his attack on Czechoslovakia ; he demanded self-determination, and pledged his support to the Henlein minority ; but he gave no decisive lead for action or plan of campaign. It is evident that his tactics then were to follow the " Spanish technique," to promote a Henlein-led insurrection supported from Germany, with " non-intervention " from Britain and France. The plan failed. Hitler's speech was the signal for the rising of the Sudeten Germans. All that followed was the isolated terrorist acts of Henlein's agents ; there was no mass support from the Sudeten German population ; the Czech Govern-

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ment easily controlled the situation. Henlein's six-hour ultimatum followed ; the Czech Government remained calm and firm ; the ultimatum expired without a sequel ; there was no march on Czechoslovakia. Never was the strength of the peace front more powerfully shown. Hitler was in danger of complete fiasco, which might have even opened the conditions for the collapse of his régime. It was at this moment that Chamberlain decided to fly to Hitler.

CHAMBERLAIN'S flight to Hitler was the most direct act to save fascism in Europe and break the peace front. The moment was in many ways comparable to the launching of the Hoare-Laval Pact at the very point when Mussolini's régime was in difficulties through the failure of the war in Abyssinia and the increasing pressure of sanctions with their threatened extension. But the stage of crisis for all Europe is now incomparably higher, and the price of Chamberlain's betrayal will be, is already, immeasurable in its outcome. At the very moment of the greatness and even basically growing strength of the peace front, of the fearless firmness of the Czech Government and people in the front line of danger, of the disciplined calm of the democratic Germans in the Sudetenland in despite of Henlein terrorism, of the solemnly reaffirmed pledges of the French and Soviet Governments, of the growing awakening of the British people to the issues, when even Mussolini was beginning to hedge in order to be sure of being on the winning side, when Rumania had just reached its agreement with the Soviet Union, when Hungary had made its agreement with the Little Entente, when Poland was wavering, at the very moment when all the cards were in the hands of the democratic peace forces and when Hitler was thrown into the greatest difficulties with the failure of his threats and attempted putsch and the consequent danger of having his bluff called and his real rôle exposed before the people of Germany, Chamberlain flew to Hitler to give him all, to throw the democratic camp into rout and to establish fascism as the arbiter of Europe. Under the flags of the linked Union Jacks and Swastikas, to the sound of the cries of " Heil, Chamberlain ! " " Heil, Hitler ! " the Diktat

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of fascism for Europe was drawn up. Thereafter Chamberlain set himself to enforce the decision, first on the French Government, and then on the Czech. In the subsequent debacle a heavy measure of responsibility also lies on those Ministers of the French Cabinet who, admittedly under extreme threats and pressure, united with Chamberlain to save fascism, repudiate their pledged word and betray their country.

CHAMBERLAIN'S act was not the act of a maniac or an imbecile, although it might appear so to a simple old-fashioned English democrat and patriot. It was the conscious act of the most conscious and consistent leader of world counter-revolution—the reactionary ruling group of British Imperialism, the ally and patron of Hitler even before he came to power, the ally of Mussolini, the financial backer and fosterer of fascism and fascist rearmament and fascist war throughout the world, the deadly and ruthless enemy of democracy and socialism. For them and their calculations the Nazi domination of Czechoslovakia is essential ; for them the breaking of the peace front, the crushing of Spanish Democracy, the disruption of the People's Front in France, the reactionary Four Power *bloc*, the coalition against the Soviet Union, and the final ending of democracy in Britain are all essential moves in the game. The rising risk to the British people is a price they are willing to pay, even though the contradictions of their gamble grow daily greater. But for the British and French peoples the hour of greatest danger through this whole policy has now struck.

CHAMBERLAIN'S act was conscious and consistent. But what are we to say of those leaders of the Labour and democratic movement who fell into the trap and made the betrayal possible by their acquiescence and even applause ? Chamberlain flew to Hitler, not merely amid Nazi plaudits, not merely to the sound of " Heil, Chamberlain ! " " Heil, Hitler ! " but amid the plaudits of the official Labour organ and of the leader of the Trades Union Congress. The *Daily Herald's* editorial " Good Luck, Chamberlain ! " which accompanied his flight, was worth armies to fascism. Sir

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Walter Citrine paid tribute to Chamberlain's sincere desire for peace. Once again, as over Hoare and Abyssinia, as over "non-intervention," the complaint of "betrayal" only comes after the devil's work is done, and its results are obvious to all. "There is no question of 'letting Czechoslovakia down,'" wrote the *Manchester Guardian* Diplomatic Correspondent on September 16 with regard to the object of Chamberlain's flight. Six days later the *Manchester Guardian* on September 22 was lamenting its disillusionment:

> A week ago Mr. Chamberlain had the admiration and trust of the world. When on Thursday morning he left for Berchtesgaden he seemed to be embarking on a supreme act of courage, a last attempt to apply reason and conciliation to a Europe on the edge of war. . . . This is how it appeared everywhere. But the world was sadly deceived.

The task of leadership is not to be wise after the event, but to know how to fight when the battle is on.

THIS is no time for recriminations on past failures. The seriousness of the present situation requires that every sincere fighter for democracy and peace shall stand united, now when the issues are plain and unmistakable to all. We recall the past for one reason only, that the lesson shall be learnt for the future. The fight for democracy and peace can still be won before the final throw is cast for world war; we have immeasurable and growing forces on our side; the Czech people is united in resistance; Spanish Democracy is advancing; the Soviet Union with its limitless power holds out the hand of comradeship to the peoples of the world in the common struggle; the French People's Front is stirring to throw off the traitors and save France; the British people, after the staggering blow of Chamberlain's betrayal, is awakening to the struggle. The fight for democracy and peace can be won; but it can only be won by a united Labour and democratic movement which knows how to fight, which knows its enemies, not only fascism abroad, but the allies of fascism in our own countries, the Chamberlains, Runcimans and Hoares, the representatives of the corrupt reactionary ruling clique who open the gates to fascism; which knows how to take the initiative to lead the people and enforce the

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operation of its policies. This remains true, whatever the outcome of the present crisis, whatever the stage of struggle that we reach.

IT is in this situation that the lead of the Fifteenth Congress of the Communist Party, which met in the height of the crisis, takes on the most urgent significance. The documents and decisions of this Congress require now to be studied with the most painstaking care by every socialist, by every trade unionist, by every democrat and supporter of peace, because they supply the answer and the guiding line to the gigantic new problems which are arising. The Congress faced squarely the realities of the present crisis and gave its plain and unmistakable answer. The resolution on Czechoslovakia, adopted at a time before the outcome of Chamberlain's visit to Hitler was known, stands to-day in every line proved and confirmed by the outcome.

> We accuse Chamberlain of betraying the peace desires of the people of Britain and of attempting a deal with Hitler at the expense of world peace and of Czechoslovakia. We accuse him of flying to Hitler, not to negotiate peace, but to betray it. . . .
>
> People of Britain ! Democratic Britain must not be dragged at the heels of fascism in an alliance which means war. . . . Europe is at the parting of the ways. The crisis is desperate, but the initiative can pass to the peace forces if the projected Chamberlain-Hitler Alliance is stopped. . . .
>
> We once again address ourselves to the great Labour Movement in a call for action, repudiation of the Chamberlain-Hitler Alliance, a firm stand for the integrity of Czechoslovakia, and the organisation of a mighty campaign to drive this Government from office, and to secure the return of a Government pledged to a policy of peace, democracy and social advance.

That is a correct leadership. Let it be remembered that it was given at a time when the official Labour organ was declaring " Good Luck, Chamberlain ! " and the leadership of the Labour Party was discussing terms for entering into a Coalition Government with Chamberlain (*Reynolds News*, September 18, 1938).

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THE secret of the fight for peace does not lie merely in the proclamation of an abstractly correct peace policy, for the realisation of the peace front against all aggression, for the united stand of Britain with France and the Soviet Union, with Spain and Czechoslovakia, with the United States, for the collective maintenance of peace. The victory of the fight for peace requires the united mobilisation of all the labour and democratic forces in irreconcilable struggle against the pro-fascist reaction, against the Chamberlains, Runcimans and Hoares, the allies of fascism, in order to force through a change of policy, drive out the pro-fascist Government and place in power a Government based on the masses, which will carry out in practice a policy on the side of democracy and peace and in the interests of the masses. This is the heart of the Communist peace policy. Its correctness has been proved in stage after stage of the war-crisis ; over Abyssinia (against the Labour trust in Hoare as the " Voice of Britain ") ; over Spain and " non-intervention " (where the correctness of the Communist line had to be recognised fourteen months late by the Labour Party) ; and now again over Czechoslovakia and Chamberlain's flight to Hitler. It is vital for the whole future that this understanding shall now be reached by the whole Labour and democratic movement.

FOR this reason the fight for peace is inseparably bound up with the fight for working-class unity and the People's Front, to the question of which the Congress devoted special attention. These questions are rendered, not less urgent, but more urgent by the present crisis. The pro-fascist course of Chamberlain is not merely directed to the support of fascism abroad ; it is an integral part of a single reactionary policy which is directing its blows against the social and economic interests of all sections of the people, and against working-class rights and democratic liberties ; which will inevitably strive to sharpen this reactionary course in the conditions of developing economic crisis and the sharpening international situation ; and which must now be definitely characterised as steering towards the realisation of a fascist régime in Britain.

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TO meet this requires a fresh approach to the whole problem of the people's movement. The discussion of the People's Front in this country, while proving that this issue has now come to the forefront of politics, has nevertheless frequently taken on a narrow formal character, as if it were only a question of some future project or formula for an electoral pact. The fact that the issue has come to the fore in the past period principally in connection with the propaganda for a United Peace Alliance has affected and to some extent distorted the subsequent discussion. It has led to the principal issue being seen as the question of co-operation with the Liberal Party. This is, however, by no means the main issue. An electoral *bloc* of all labour and anti-fascist democratic forces on a common programme could undoubtedly be a very important step forward in the present situation, and one of the forms of development towards the realisation of the People's Front. But it is not yet the People's Front. The heart of the People's Front is the real living movement of the people, of all sections of the people, on the basis of their closest needs in the common struggle. This goes far beyond and outside the existing political parties. Towards this the conditions are already present for the development of all forms of preliminary co-operation.

THE Congress devoted especial attention to the problems of the Trade Unions in the present situation. The key to the present political situation, the key to victory over the National Government, the key to mobilising the broadest popular mass movement lies in the trade unions and in the factories. The tendency to separate foreign political issues or national political questions from daily trade union questions and the economic struggle was condemned as in practice leading to weakening of both spheres of the struggle, which is in reality a single struggle against a single class enemy. While the urgent tasks of the present political situation require the development of the broadest popular movement based on equal participation of all sections of the population in the common struggle against the reactionary finance-capitalist oligarchy, the responsibility in the initiating, organ-



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ising and leadership of such a movement can only lie with the organised working class, which alone has the strength of organisation, the discipline, the experience and the understanding of the struggle to be capable of fulfilling this task. This throws the greatest responsibility on the trade unions, whose development is decisive for the development of the Labour Party. Here is the battlefield where the supporters of collaboration with Chamberlain still wield their influence. The experience of the Blackpool Trades Union Congress has shown sharply the dangers of this situation. The Communist Party Congress laid the greatest stress on the necessity to strengthen the trade unions, to extend organisation among the unorganised, to develop closer collaboration between the unions and promote in every way trade union unity, in the factories, in the industries, nationally and internationally.

FINALLY, the Congress placed in the forefront the rôle of the Communist Party in the present political situation, and the urgent necessity of developing and strengthening it as a vital need of the whole Labour Movement and of the present fight. While enormous sympathy has developed in the recent period throughout the Labour Movement and beyond to the outlook of the Communist Party, and increasing recognition of the correctness of its policy, which has been proved and is daily being proved in the testing of events, this sympathy is only more slowly translating itself into organisation : that is to say, there is not yet the understanding among the mass of the workers, even among many of the most active and sympathetic, that an organised party such as the Communist Party, built on Marxism, uniting the militant workers and fighting with a common policy in the forefront of every struggle, local, national and international, is indispensable for the victory of our aims. Yet the experience of every country (it is only necessary to think what the Communist Party means to-day in Spain, in France, in Czechoslovakia, in China), and not least of Britain (it is only necessary to call to mind the record and leadership in the fight for Spain, for the unemployed, against Mosley, against Chamberlain, and to consider how much more could have been

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accomplished with a larger party, and with a party established in its rightful place within the Labour Party) is daily and ever more overwhelmingly showing the truth of this. The political conclusion from this needs now to be drawn by the whole working-class movement.

TO these conclusions of the Communist Congress, and to the many other fields of work covered by the Congress, it will be necessary to return in greater detail. We are living to-day in the midst of crisis, when events are developing at lightning speed, when the situation is rapidly changing, when we are faced with the certainty of big issues and struggles. By the time these pages appear, most of what is written here will be inevitably left behind by the pace of events. But the lines of this Congress give us guiding lines for the future, in which we can place confidence. With the understanding of the policy and approach reached at this Congress, we can be ready to meet the rapid changes of the situation and the new issues that will confront us.

R. P. D.

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# The People's Movement

## BY HARRY POLLITT

[*We print below two important sections of Harry Pollitt's Opening Address to the Fifteenth Congress of the Communist Party of Great Britain, which was held at Birmingham on September* 16-19, *dealing with the People's Movement in Britain and the standpoint of Communists in relation to Democracy. The full text of the Address, with its treatment of the situation and problems of policy in all fields, will shortly be available.* —*Ed.*, LABOUR MONTHLY.]

A SUCCESSFUL STRUGGLE against Chamberlain demands the co-operation of all sections of the people and of all organisations that are alarmed and discontented with his policy.

The situation creates a common anxiety and raises common tasks.

Let us look at the people of Britain. There are 12,000,000 workers engaged in the leading productive and transport organisations. 5,000,000 of them are organised. Many millions of the remainder are young workers. Many of them are women workers. These two sections are holding increasingly important jobs in the new industrial processes. How are we to capture the imaginations of these people, not only for trade union organisation, but for sustained interest and a hope in a leadership other than the negative dead oppressive bullying of the boss and of Chamberlain ? They live in new housing estates, work in new factories, uprooted from the tradition of the Labour and Trade Union movement. The leadership of a People's movement would swing them into action and arouse their interest, and, as was found in France, rally them to the Labour Movement.

What is holding them back ? The feeling that these organisations are just as dead and unresponsive to their needs as Chamberlain and his gang. They may not at the moment subscribe to Socialism ; but they want economic security, peace and democracy.

Of course these are the predominant people in Britain. They represent perhaps 30,000,000 souls including the children who themselves are being held back and restricted by Chamberlain's " Economy " measures.

In the Agricultural community, there is an astonishing lack of effective political or industrial organisations or leadership for the protection of the agricultural workers, small farmers and smallholders against the big vested interests which so mercilessly exploit them.

We have also in Britain 11,000,000 belonging to the professional and middle-class sections of the population, ranging from doctors to advertising agents ; from clerks to teachers ; from artists, writers, to

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small shopkeepers and business-men. All of them are concerned at the effects of the economic crisis, at fascism, at the menace of war, and at the lack of opportunity and advancement open to them at the present time. Many of these sections for the first time are becoming organised or demanding the right of organisation.

There is a growing disillusionment inside the Tory and Liberal Parties at the present results and future consequences of Chamberlain's policy.

Inside various sections of the Pacifist movement there are deep differences of opinion and recognition of the fact that to say "No More War" does not prevent war breaking out.

Amongst Protestants and Catholics there is uneasiness at the brutal and repressive methods that fascism adopts to prevent religious teaching and expression, and resentment that Chamberlain's policy helps the fascists to carry through their attack upon religion by force.

Who can afford to ignore the power and influence of the Left Book Club, and how in the two years of its existence it has directly affected the thoughts and actions of tens of thousands of people in the struggle against the National Government and for solidarity action with the peoples of Spain and China.

It is politically very short-sighted not to recognise these developments and to ignore the importance of bringing all these sections of the people and their organisations into co-operation with the Labour Movement.

It is necessary to recognise that at the present decisive moment neither the working class alone, nor these other sections of the people are able by themselves with their present divided forces to bring about the immediate changes in policy that are required and that can lay the sure basis for defeating Chamberlain.

The ruling class in Britain has always carried through the policy of "divide and conquer." Once again, the most reactionary sections of monopoly capital are trying to carry through this policy in order gradually to establish fascism in Britain.

The chief task of the moment is to put an end to the policy of the Chamberlain clique and to reach an understanding over a common programme in the interests of all who are directly affected. We should regard them all as equal comrades-in-arms against the common danger, the common enemy, and in the struggle for their common interests.

The Labour Movement, which is better organised than other sections of the population, is also more experienced in struggle, and therefore should recognise as a duty the bringing together of all useful forces. The best method to accomplish this goal is to unite as many sympathetic people as possible within the Labour Movement itself.

How can the working class win the valuable support of all these sections of the people and the various democratic, peace and religious organisations that so many of them are identified with?

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Should we set up some hard-and-fast scheme as to how it shall be done? By no means.

There can be no greater error than to believe that you can mechanically transfer the political and organisational forms of the People's Front from one country to another.

In Britain the movement towards the People's Front will be on the basis of British conditions and circumstances.

The final form this will take in Britain will depend on conditions at home and abroad, but it is essential not to confuse the United Peace Alliance, or any other form of wide front for peace, with a People's Front such as is in being in France and Spain at the present time.

The difference between France and Britain for example, is that in France there was a direct attack on democracy in 1934 which definitely brought the working-class parties together, and out of this the extension of a united front between them, to other political organisations.

In the French Chamber of Deputies it has been possible for the various parties of the Left to reach an agreement and work and vote together. But neither of these stages has yet been reached in Britain.

Unity has not been established in the working-class movement, the process of differentiation in the Tory and Liberal parties which may lead to new political combinations and groups against Chamberlain is only beginning.

But as the whole situation develops, as dissatisfaction with the Chamberlain policy grows, if the Labour Movement is united and actively fighting Chamberlain, then the differentiation amongst millions of people not organised in any political party, as well as in the Liberal and Tory parties, will increase and take a more crystallised form that will place the organisation of the People's Front as a practical and immediate proposal.

Meantime, we Communists, while explaining patiently the nature of the People's Front which will take a particular British form in this country, only when the conditions for it are ripe, will unhesitatingly advance our immediate proposals to meet situations as they arise. This is why during the March crisis, when the opposition to Chamberlain was at its height, we proposed that all the Labour and democratic organisations should get together and defeat Chamberlain and form a People's Government.

This is why we supported the proposal of a United Peace Alliance as advocated by *Reynolds News*.

Neither the proposal of a People's Government, nor United Peace Alliance, constituted a People's Front such as was definitely constituted in France and Spain, before their present Governments came to power.

They were based on the need for the coming together of all lovers of peace in a mighty alliance to defeat Chamberlain.

It was not the People's Front; but it may be one of the forms

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through which the People's Front could be achieved in Britain.

An electoral *bloc* between the Labour Movement and other democratic forces could also extend its basis and help forward the movement towards a definitely constituted People's Front.

There has already been a great deal of discussion both inside and outside the Labour Movement on the question of the United Peace Alliance and the People's Front. This is all to the good, but it needs to be accompanied by action now.

No opportunity should be lost in any locality in the country to develop forms of co-operation in all kinds of issues which concern the most diverse sections of the people. For in this way the basis can be laid for the wider national movement.

It is not easy to bring this about. All kinds of difficulties have to be overcome. Powerful vested interests stand in the way. Prejudices and doubts strongly assert themselves. There are tendencies to be combated which see only the past and not the terrible menace of the present situation.

Unity both inside and outside the Labour Movement has to be fought for patiently and persistently. The vanguard of the working class has to lead this fight. To steel itself against disappointment and defeat.

The enemies of unity are strong. But we are stronger still if we but realise our power and act in a spirit of confidence.

It is no light responsibility which history will place upon those Labour leaders for hindering the unity of the working-class movement, and its development into the wider combination of all the democratic and peace forces in Britain.

### *Communists and Democracy*

It is said that democracy, so long as it rests on the basis of capitalist economy, is not worth defending. It is worth while dealing with this in some detail.

Democracy is not, and cannot be, simply a resounding phrase used to cover up every sort of roguery and deception as the fascists and pro-fascists pretend. It was Lenin who recalled to a generation that had forgotten Marxism that democracy was always class democracy ; further, that democracy under the conditions of a capitalist economy was immeasurably inferior to the democracy of the Soviet, to democracy under conditions of a Socialist economy. Nevertheless he pointed out that the best State form under capitalism was democracy, precisely because it gave the best conditions for the development of the workers' struggle for emancipation.

Yet in these last few years we have witnessed a complete vulgarisation of what Lenin said. The question has been put as though democracy, democratic rights, democratic liberties, did not matter at all to the working class or to the mass of the people. There have even been some in the Communist ranks who have talked as though we

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were indifferent to the form of capitalist rule ; while others, not Communists, have said that since both Britain and Germany are capitalist countries, there is not a ha'porth to choose between fascism and bourgeois democracy.

This vulgarisation and downright distortion of the standpoint of Marxism has been aided by the anti-democratic propaganda carried on from within the ranks of the Socialist parties during the last 30 years. In this Bernard Shaw is one of the most serious offenders. This old Fabian, unlike his teachers the Webbs, began his attack on democracy by pretending it was merely a device of the rich to rob the poor and has ended by stretching out his hand to Hitler and Mussolini.

Shaw could fall into this utter confusion and drag others into it, because he denied the class struggle basis of Socialism.

Now we have modern vulgarisers of Lenin, mouthers of so-called revolutionary phrases, reaching the same standpoint as the last degenerate phase of Shaw's opportunism. In the theoretical field the Right-wing and the " Leftist " standpoint have concurred, just as on the political field the Right-wing of the Labour Party are wooing the " Leftist " I.L.P.

Let us repeat it, and never forget it, that democracy, even under capitalist economy, offers the best field for the development of the class struggle.

We think the British machinery of Government is anything but perfect ; it gives any amount of opportunity for a small group of the very rich to put their will across as the will of the people. But it also gives the people opportunities and therefore we must defend it and use it to the utmost. Democracy does not mean the abandonment of the class struggle, but freedom to carry the struggle forward.

Democracy in Britain has always been a bread-and-butter question. The demands of the Chartists were democratic demands for one vote for every man, for annual parliaments and so on ; but the Chartist leader Stephens was right when he said the Charter was a " knife and fork question." The workers who rallied behind the Charter wanted the vote, because they wanted to end their economic slavery, their twelve-hour day, to end child-labour in the cotton mills and women's labour in the mines.

Having won the vote in 1867, the workers in further struggles were able to force through laws giving better conditions to miners, to factory workers, to seamen ; in 1875 they won the right to picket. And after they had gained a firm legal position for the unions in 1905, British workers were able to win big strikes for wage increases and shorter hours in the year before the War.

Democracy is not abstract. It means that the people have definite rights—the right to organise, the right to strike, the right to vote, the right to free speech. These rights are weapons without which the

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British people would be no better off to-day than they were 100 years ago.

These rights did not drop from heaven. Men died to win them. To-day the people hold big demonstrations in Trafalgar Square. Only 50 years ago, in 1887, a worker named Alfred Linnel, was killed by the police in the fight for free speech, and the right to hold meetings in the Square. Britain's great tradition of freedom was won in the teeth of Britain's rulers. The town workers won the vote in 1867 after a fierce battle in which they were led to victory by the British section of the First International. " Without us," Marx wrote proudly, " the Reform League would never have been founded, or would have fallen into the hands of the middle class."

Many fell in the fight for free trade unions. The Tolpuddle Martyrs were sent to Botany Bay in 1834 ; the London Gas Stokers went to prison in 1872 ; William Gallacher and the Clyde leaders in 1916 ; Mick Kane and the Harworth miners in 1937.

Nor can we say that once these rights are won by struggle they are safe for ever. They always represent a concession which the capitalists would like to take away. After the General Strike, the capitalists, led by Stanley Baldwin, took advantage of the opportunity to attack trade union freedom. In 1927 they cut down the right to picket, outlawed most forms of sympathetic strikes, and took away the right of Government servants to organise in free trade unions.

The right of the unemployed to be maintained had to be defended in a series of bitter fights against the threat of compulsory Labour camps, and the fight is still in progress.

And not only nationally, but locally, the struggle for democracy is always going on. In this city of Birmingham in 1936, the Lucas factory owners had succeeded in getting an effective police ban on the distribution of trade union leaflets at that factory. It was our Party which broke that ban, challenged the police at law and established the right of trade unionists to use this important method of organising against the speed-up and sweating in this town.

Democracy means the rights won in the factories and pits for trade union and workshop organisation.

As our comrades who remember war-time conditions on the Clyde and in the engineering shops well know, democratic rights and control of shop stewards to stop slave conditions were fought for bitterly. Nowadays again they are threatened.

This is the frontier of working-class democracy which lines up with the lines of the Ebro and of the Soviet Union.

Again traitors are at work in high places and in our movement. We will defend our rights, until we have at last complete democracy, Soviet democracy.

The people of the Empire are making history to-day in tremendous battles against British imperialism. They are fighting only for a less

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miserable life and the elements of democracy. Chamberlain has met them with prisons and guns.

Those that tell us there is nothing to choose between fascism and bourgeois democracy should take the trouble to find out what the workers suffer in fascist countries. Facts leak out even in the official figures. In 1936, the Italian people ate one-third less sugar, one-fifth less cereals, one-fifth less fruit and vegetables than in 1926-30. In Germany 3½ million workers earned less in 1936 than the unemployment benefit of 1932. On Government building schemes the Nazi factory inspectors report that a 12-hour shift is often worked and sometimes even 15 or 16 hours a day. In the metal industry they report the working day is 10 hours now. That is what can happen when the working-class organisations are smashed ; you can go back in two or three years to the labour conditions that existed a hundred years ago !

To-day, Germany is mobilised for immediate war, but comrades in Germany are carrying on a heroic fight against war under conditions of fascism. The people can only read the Nazi press which screams about " Czech Bloody Terror Gangs." Unless they will risk imprisonment, they can only listen to the Nazi wireless, which tells them that Czechoslovakia is attacking Germany. It is illegal for them to hold meetings against the war, to demonstrate against it, to strike against it. That is what the destruction of democracy has meant for Germany.

Does anyone think that the members of the British battalion, to whose imperishable memory we have paid tribute, went to Spain to fight for democracy in any other sense than this ? Does anyone imagine that they went there and gave up their lives for some abstract democracy, or for some sham version of democracy as practiced by our ruling families ? Did they die to make " democracy " safe for millionaires, for the Rothermeres, Londonderrys, and the rest of the ruling families ?

They gave their lives in the service of a democracy that meant concrete things, economic and political rights and liberties for the workers and the mass of the people—in a word, for those things which fascism destroys and which the millionaires are daily attempting to filch away from us.

And our party, too, can take its stand in the forefront of the fight for democracy against fascism, because we defend each democratic right, whether economic or political ; because we know how to combine the fight for each demand of each section into a common struggle ; and because beyond the fight for maintaining democracy, we see clearly and point the way, on this basis, to the struggle for Socialism.

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# Chamberlain Over The T.U.C.

## BY J. R. CAMPBELL

THE BLACKPOOL TRADES Union Congress met in the midst of the European war crisis and its proceedings were dominated by that fact. It met conscious of the rôle that the British Government had played in the development of this war crisis.

> Peace and democracy are on the lips of the Government, declared Mr. Elvin in his President's Address, but War and Fascism are in their hearts, if deeds are to be their judges. . . . The betrayal of Abyssinia by this country and France forms one of the blackest pages in African experience. . . .the culminating act of betrayal by our own Government of the safety of British citizens with Spain in carrying on legitimate trade has strengthened the hands of the assassins. . . . Is Czecho-slovakia to be the next sacrifice? If not, why Lord Runciman's visit to that country?

When these words were uttered by its own president, there could be no excuse for any delegate misunderstanding the rôle of the British Government, yet throughout the main debates of the Congress it became clear that the reactionary Right Wing section of the leadership was prepared, in the interests of co-operation with Chamberlain, to seek to explain away this rôle and to reduce the Labour Movement to an appendage of the pro-Fascist Chamberlain Government. This was seen in the attitude of this section in all the main debates of the week.

On the other hand there was a growing militant section which, while desiring to see a strong Peace Front barring the way to the Fascist aggressors, recognised that a necessary element in the struggle for such a Peace Front was a determined drive against the National Government. It can be said that, while on some key questions the Right Wing scored a victory, they were compelled in others to make concessions to the growth of militant feeling.

The first clash occurred in connection with the conversations which the Trades Union Congress General Council had with Chamberlain on the question of speeding up rearmament. What was the basic issue here? No one questions the right of the Trades Union Congress to discuss questions of arms with the National Government. Indeed the trade union movement has the clear duty of interesting itself in the objects for which the Government proposes to use the arms. The Trades Union Congress is interested in the conditions under which the workers in the munitions industry are employed and must be prepared

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to discuss with the government of the day with a view to their improvement. The attempts of the reactionary Right Wing to represent their opponents as people opposed under all circumstances to conversations with the Government were simply an attempt to cloud the issue.

The key question that Citrine in his opening and concluding speeches evaded was as to whether the particular conversations opened between the Trades Union Congress and the Government were calculated to advance the interests of the working class politically or industrially, or whether they were calculated to help Chamberlain to carry out his reactionary policy directed against the interests of the British people.

Why did Chamberlain call the Trades Union Congress General Council into consultation at all ? It was perfectly clear from Citrine's speech that Chamberlain had no concrete proposals for the acceleration of the arms programme, and neither had Inskip when he met the Engineering Unions. If acceleration of production was the aim of the Government, its leading members were strangely bankrupt of proposals. The aim of Chamberlain was, however, quite different. His government was deep in crisis. The dismissal of Eden had been followed by the invasion of Austria and had called forth a deep revolt amongst Government supporters. The whole country was resounding with the cry, " Chamberlain must go." When Chamberlain invited the Trades Union Congress to meet him he was concerned not with increasing arms production, but with buttressing his shaken prestige. Had the Trades Union Congress declared that the whole policy of the Government was undermining the defence of the country, that it was surrendering important strategic posts to the Fascist aggressors in Spain, that by refusing to work for the formation of a Peace Bloc it was refusing to use its arms for the reinforcement of peace, and that any discussion of the acceleration of the arms programme with a government pursuing such a policy would be fruitless, such a stand would have rallied the democratic forces in Britain, brought hope to the harassed democrats in Spain and would have been an important blow against the Chamberlain group of pro-Fascist reactionaries. But in the midst of a government crisis the General Council, with an indecent and servile haste, trotted around to see Chamberlain, listened to him as if a mere technical question was involved and went away without breathing a word of opposition to his reactionary line. It was left to the delegation of the Amalgamated Engineering Union a few days later to make that political pronouncement against the Government using British arms for pro-Fascist purposes that the General Council should have made at the height of the crisis. A few days subsequently the General Council did see Chamberlain and made a political pronouncement on arms, but the crisis had by that time blown over. The charge against the General Council was that by going to Chamberlain when it did, and in the manner that it did it helped to buttress his shaken authority and did a grave dissservice to the peace forces of the country. That

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charge was never met by Citrine in his defence of the General Council's action. In his speech and in that of trade union representatives who supported him there was the general plea that the Unions must approach the question of rearmament from the industrial and not from the political point of view. What is the meaning of this? What is the industrial as distinct from the political point of view? The trade unions have a clear duty of protecting their members who are employed in the manufacture of munitions and must guide their policy accordingly. But the trade unions are also interested in preventing the spread of Fascism throughout the world, for every Fascist victory means a menace to the very existence of the trade union movement. To say that the trade union movement should protect its members against dilution but should not challenge the policy of a government which is assisting Fascism to spread throughout the world is so nonsensical that it is difficult to understand why any rank and file delegate could be taken in by such meaningless sophistry. The plain fact is that the decision of the General Council was influenced by Sir Walter Citrine, and there is no better Chamberlainite than Sir Walter—even in the ranks of the Tory Party itself. In both his opening and his closing speech Sir Walter gave this away completely:

> Our policy, he said, is to stand up to the aggressors. If the challenge is made we must meet it. Last year we said that in no uncertain voice. We said that we approved ourselves of the Government equipping itself to meet that challenge if it is made.

In his concluding speech he asserted:

> We have in this report (of the General Council) a specific pledge by the Prime Minister that the arms will only be used in defence of Great Britain.

He further told the Congress that he had put to the Prime Minister the fear expressed in certain circles of the Labour Movement that British arms might be used to back a Fascist aggressor:

> The Prime Minister asked us what Fascist Powers we had in mind, and I frankly confess that I couldn't tell him. After all, does anyone imagine that these arms are to be used to help Germany conquer Czechoslovakia? (Cheers.)

Now Sir Walter Citrine was asked this question by the Prime Minister in March, a few weeks after the same Prime Minister had dismissed his Foreign Secretary in order to make a deal with Mussolini. If Sir Walter could not answer the question it only proves his complete unfitness to interfere in any political question. The youngest member of the Labour Party confronted with a similar "poser" last March would have promptly answered: "Signor Mussolini, whose invasion of Spain is being helped by the policy of the British Government." Any ordinary member of the Labour Party could have answered that in March, but the General Secretary of the Trades Union Congress cannot answer it in September after he has seen Chamberlain refuse to use British arms to defend British ships from

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being bombed by Italian aeroplanes, after he has seen the British Government clinging to the policy of non-intervention in spite of the rejection of its plan for the withdrawal of volunteers. "Are British arms to be used to help Hitler to conquer Czechoslovakia?" The answer is clear. They are being used to back a policy whose aim is to force Czechoslovakia to concede territory to Germany, and Citrine knows it. Why did the President of the General Council in his opening speech ask: "Is Czechoslovakia to be the next victim? If not, why Lord Runciman's visit to that country?" Why does the General Council's own resolution on Czechoslovakia say:

> The German Government has demanded that Czechoslovakia yield its democracy to force and admit a totalitarian system within its boundaries. These demands are incompatible with the integrity and independence of Czechoslovakia. Every consideration of democracy forbids the dismemberment of the Czechoslovakian State by the subjection of the Sudeten German regions to Nazi Government control.
>
> British Labour emphatically repudiates the right of the British or any other government to use diplomatic or other pressure to compel an acceptance of such a humiliation.

So in the opinion of the General Council itself the British Government was capable of using such pressure as would force the Czech Government to agree to concessions "incompatible with the integrity and independence of Czechoslovakia." If that is not telling Hitler to conquer Czechoslovakia, we wonder what is. Sir Walter in trying to whitewash Chamberlain was coming out against the line of the Congress resolutions themselves.

On the industrial side of the question the objections to the line taken by the General Council are equally clear. If its first consideration had been that it wanted to protect the trade unionists in the munitions industry, it would have postponed rushing to Chamberlain until it had a prior consultation with the Unions. From the purely industrial point of view its visit to Chamberlain was worse than useless. In his concluding speech Citrine used a curious argument which will be worth watching in the future. Arguing against delegates who urged the need for State control of the arms industries with a view to the limitation of profits, Citrine argued that you cannot raise the question of the State control of industry without raising the question of the State control of labour. This is clearly monstrous nonsense. The State can clearly put limits to profiteering without taking away from the Unions their right to defend their members by collective bargaining and strikes. The same line of support for Chamberlain emerged clearly in the debate on the refusal of the General Council to call a Special Congress in order to more effectively organise the struggle on behalf of the Spanish people and against Fascist aggression in Europe.

Since the last war the Trade Union Movement of Britain has never taken up the position that questions of war and peace can best be left to the Government. It never took up the position that war cannot be

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prevented. On the contrary, it always insisted that the Trade Union Movement could use its mighty power to influence the policy of governments in the defence of peace. Time and time again the Trades Union Congress has pledged the unions to act against a government dragging the country into war. And in March and April this year, when a number of powerful and influential unions asked for a special conference, the great majority of the Labour Movement was accusing Chamberlain of pursuing a warlike policy. He had just sacked Eden in order to open negotiations with Mussolini on the basis of allowing that gentleman to strangle the Spanish republic. Not only was he against co-operating firmly with France and the Soviet Union to defend peace, but he was striving to break the Franco-Soviet pact. He was, as we can see to-day, preparing to back Hitler in the dismemberment of Czechoslovakia.

The Trade Union Movement owed it to the British people to make clear to the whole world its hatred and detestation of the whole criminal policy of the Government. A Special Congress would, more than any other measure, have concentrated public attention on the necessity of forcing a change in the Chamberlain policy. Not only was there very great misunderstanding of the meaning of Chamberlain's policy, which many people believed was keeping Britain out of war, but the pro-Fascist press was sedulously spreading the lie that the Labour Movement was seeking to push a reluctant Mr. Chamberlain into attacking the Fascists. A special Congress could have made clear to the whole public the treacherous character of Chamberlain's policy, could have exposed the terrible dangers of this policy to the freedom and welfare of the British people. Such a Congress could at least have inaugurated a mighty campaign which would have created such a public opinion as would have made all further betrayals of peace impossible.

It is self-evident that it could have done something more for Spain. The Miners' Federation, the Amalgamated Engineering Union, the National Union of Distributive Workers, have shown in practice that much more could have been done to raise money than was previously the case. If the special Congress had only decided to ask the Unions to take special measures of the character of those undertaken by the Miners' Federation it could have done in March what the pressure of the movement compelled the Trades Union Congress to belatedly undertake in September.

And the conditions were absolutely favourable for organising direct action against Chamberlain by directly attacking his ally, Franco. There was such a hatred of Franco, occasioned by his ruthless bombing of the civilian population, a hatred which grew to enormous proportions when Franco commenced to bomb British ships, that it was perfectly possible to have put a trade union embargo on all goods to and from Franco-Spain.

What were the arguments against this that were produced by Citrine

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in the secret session whose proceedings were in reality a secret to no one? They were that this or similar action would have constituted a political strike, under the meaning of the Trades Union Act of 1927, and the Government could have confiscated union funds. There never was such a contemptible drivelling piece of cowardice. A government can only proceed to a major political act like the confiscation of union funds when it has the backing of the overwhelming majority of the people. In point of fact on such an issue, the mass of the people would have been behind the Unions. It is difficult to conceive how the Congress could take this nonsense of Citrine seriously. The whole policy of Chamberlain has been one of doing everything possible to keep the Unions quiet and passive, while he operated his policy of betrayal, for this policy requires the tacit co-operation of the Union chiefs. This policy of betrayal could not have been carried through on the basis of an open struggle against the Trade Union Movement.

The chief argument of Citrine was that any policy of direct action was impossible because the Transport and General Workers' Union was against it. This only means the bureaucracy of the Union. In many parts of the country the whole apparatus of this Union had to be used to prevent the dockers from refusing to load the ships of Franco and of the Japanese assassins. Had the leading unions of the country declared their willingness to support the Transport Union in any action that it took to refuse to load ships for Franco-Spain, the masses in the Transport Union could have dealt with the reactionary leaders who were trying to hold them back from action.

It is to be noted, however, that the General Council not only turned down the proposal for a Special Congress, but in point of fact it rejected all alternative methods of organising pressure against the Government. Its whole energy was devoted to keeping the Trade Union Movement passive—the necessary condition for enabling Chamberlain to carry through his policy.

While the Congress supported the policy of the General Council, in refusing to call a Special Congress there was nevertheless great discontent with its passive attitude to Chamberlain. This found expression in the terrific support given to the resolution of the Associated Society of Locomotive Engineers and Firemen calling for action "forthwith" to secure for the Spanish Government its right to purchase arms in its defence. The General Council had decided to oppose this resolution because of the use of the word "forthwith," but the unanimous roar of applause which followed the speech of Comrade Paynter, an ex-Commissar of the International Brigade, who seconded the resolution, caused the platform to beat a strategic retreat. The platform now asked the mover of the resolution, Mr. Squance, of the A.S.L.E. and F., to interpret the resolution in the light of the fact that the previous decision on the question of the Special Congress now ruled out the possibility of industrial action. Finally the Congress delegations

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were asked to submit suggestions as to how the resolution could be implemented, and the following resolution was finally adopted :

1. That a campaign be organised nationally and internationally in conjunction with the I.F.T.U. and the L.S.I.

2. That through these international bodies, the suggestion be made to their affiliated French organisations that the French and British Labour Movements make simultaneous approach to their respective Governments calling for the removal of the ban on arms.

3. That the campaign be linked with a further appeal for funds, and that the attention of the Executives of affiliated unions be specially drawn to the suggestions made to and by Congress in regard to the need for exceptional efforts to be made.

4. That affiliated unions report, in a period prescribed by the General Council, the nature of the maximum efforts they can make to aid the International Solidarity Fund.

5. That a report of the results of these efforts be made to all affiliated unions as early as possible, and any further suggestions invited after which the whole position be again reviewed by the General Council.

The resolution is an advance in that it opens the way to a closer co-operation of the French and the British Labour Movements on behalf of Spain, and that the question of further substantial aid was left not in the form of a vague general appeal, but of a precise request to the individual unions and the placing upon the General Council the responsibility of guiding and extending the campaign.

The supreme international issue before the Congress was the threat to the independence of Czechoslovakia. Here the Congress took an apparently strong line. There was no decision, however, to make an effort to mobilise the British people behind this apparently strong resolution. Indeed in the joint meetings of the Trades Union Congress with the Labour Party the Chamberlainites in the General Council opposed all suggestions for an immediate campaign against Chamberlain, and are reported to have threatened to carry their opposition into the Trades Union Congress itself. If these reports are accurate it is clear that black treachery was at work in the ranks of the Labour Movement. If the General Council and the Labour Party had launched such a campaign at Blackpool they would have made it quite impossible for Chamberlain to return from Hitler and proceed to carry out the ultimatum of the German dictator. The Labour Movement was betrayed at the decisive moment by those leaders who had resisted the calling of a Special Trades Union Congress, and who were now spreading the illusion that Chamberlain was in some measure protecting Czechoslovakia. The reactionary trade union leaders confined their activity to sabotage behind the scenes. They dare not come out with a full pro-Chamberlain line and so in conjunction with the emergency resolution on peace the Congress passed a composite resolution which declared :

> The policy of the National Government has contributed to bolstering up the Fascist governments of Italy, Germany and Japan, which governments are totally opposed to free trade unions, co-operative societies and other working-class organisations, and have either destroyed or



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> suppressed the liberty of their peoples. This Congress declares its emphatic opposition to such a Tory policy, which is not only lowering to the prestige of the British nation, but, owing to its vacillating character, is actually provocative of war.
>
> Congress pledges itself in accordance with Labour's peace policy to oppose any arbitrary and aggressive action the Government may take, and decide to do all possible to defeat them and make way for a Labour Government.

Up till the moment of writing the General Council of the Trades Union Congress has not taken steps to actively oppose the Government's "arbitrary and aggressive action" with respect to Czechoslovakia. That in a measure is the tragedy of the Trades Union Congress. The militants on certain questions are able to force the adoption of a line, but the carrying out of that line can always be sabotaged by the pro-Chamberlain forces on the General Council.

A similar situation arose on the question of the affiliation of the Soviet Trade Unions to the International Federation of Trade Unions. The General Council had turned down the proposals of the Soviet Trade Unions for affiliation, but had instructed its delegation at Oslo to support the continuance of negotiations. The delegation at Oslo scrapped these instructions and voted for breaking off negotiations. The General Council was obviously in a dilemma at Congress. It was calling upon the British and French Governments to unite with the Soviet Government at the same time as it was refusing even to negotiate with the Soviet Trade Unions. This crying absurdity the General Council sought to wriggle out of by confining its defence mainly to its rejection of the Russian terms and not to the action of its representatives in breaking off negotiations. On the basis of this confusion, and on the basis of some quite arbitrary action on the part of leaders of delegations, the reference back of this paragraph of the General Council's report was defeated by 2,619,000 votes to 1,493,000. The indignation in the delegations was terrific, and after lunch the General Council knew that it would be defeated if it opposed the resolution of the Tailors and Garment Workers' Union, which said :

> This Congress expresses its regret at the absence of any satisfactory result of the negotiations between the I.F.T.U. and the Russian Trade Union Movement, reaffirms the desire and policy of the British Trade Union Movement to establish complete unity and common action by Trade Union organisations in all countries, and asks the General Council to continue their efforts to achieve this object.

This resolution, although carried unanimously, does not appear in the summary of the Conference which is contained in the Trades Union Congress weekly news-sheet, *Industrial News*. The Movement will require to be on its guard against unscrupulous attempts to shelve this resolution.

The lesson of the Congress must be grasped by all trade unionists. While the pressure of the working class can force the General Council to make concessions, the pro-Chamberlain forces are still strong enough

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to sabotage all real action. Until it is realised that the treacherous policy of Chamberlain has been aided by his sympathisers inside the British Labour Movement, it will be impossible for that Movement to use its full strength to protect the British people from Fascism and War. A recognition of the positive evil wrought by the pro-Chamberlain forces in the Labour Movement is the first pre-requisite for a change.

There were innumerable complaints amongst delegates that the political questions had predominated over the purely industrial questions at the Congress. The complaint in the form it was put is ill-founded. The political questions were life and death questions, and even if the agenda had been full of good industrial resolutions the political questions would still have had to receive the predominant attention from Congress. But there is substance in the complaint in that apart from various essays in class co-operation on the lines of the deputation to Chamberlain, Congress is not pursuing any industrial policy. Two workers in every three in Britain are still unorganised ; in 1938 the percentage of organised workers is lower than in 1920 ; great new industries are springing up outside the influence of trade unionism ; whole districts of the country are given over to non-unionism. This situation cannot be tackled by the isolated efforts of individual unions, nor by campaigns organised by local Trades Councils. It requires the co-operative efforts of the major unions, pooling their resources in a stubborn, continuous, well-organised campaign of trade union recruitment. In respect to some of these new industries, we are to-day in the fantastic position that if any one were to suggest forming a new union in those industries he would be denounced as a disrupter by the very union leaders who refuse to do anything effective to themselves organise them.

Equally, Congress requires a policy with regard to the unemployed. The Trades Council Unemployed Associations are miserably weak. The National Unemployed Workers' Movement, which is the strongest and most effective unemployed organisation still encounters the hostility of the Trades Union Congress. Surely with almost two millions unemployed the time has come when all unemployed organisations should be merged in a single organisation under the auspices of the Trades Union Congress, and when the Unions should give all possible assistance to the organisation of the unemployed.

It is unlikely that the General Council will take the initiative on either of these questions. This can only come from the individual Unions, putting the question squarely before the Congress, and insisting, in spite of the resistance of the Chamberlainites, that a policy on these questions be formulated forthwith.

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# World Economic Crisis —1929 and To-day

## BY JOHN KNIGHT

MANY CAPITALIST ECONOMISTS to-day have the uneasy feeling that a new world crisis has begun ; but they console themselves with the reflection that one cannot be sure about it because conditions are so different from 1929-30. Because conditions are different, they conclude, there will result something different from a crisis, instead of concluding : the crisis begins to-day in conditions different from those in 1929.

Outstanding among the reports on current economic trends is the yearly report of the League of Nations. The *World Economic Survey*, 1937-38, which has appeared, places in the centre of discussion the question :

> Will the recent economic decline lead to a new depression ? Or is it only a temporary setback ?

No clear answer is given to this all-important question. In its final pages the survey suggests a number of factors which seem to indicate that there will be no real crisis such as we experienced in 1929-32 ; at the same time it points to a number of factors that may quickly cut short the period of recovery which the survey finds inaugurated by recent developments in the United States. It ends by explaining :

> In view of the many important changes in economic conditions since 1929 and of the opposing forces which are described above, it is still too early to answer the question whether the present recovery is permanent or not.

What are the elements in the situation which according to the survey make the present economic situation different from that of 1929-30 and which, the survey implies, work against a recurrence of a crisis ? The survey mentions the following chief factors :

> Government expenditure on armaments is generally much higher than in 1930 ;
>
> The liquid reserves of the banks are to-day much higher than in 1930, while at the same time interest rates are much lower ;
>
> There is more readiness among monetary authorities and Governments to adopt measures of monetary expansion and of public expenditure :
>
> The absence of large international movements of long-term capital makes countries less liable than in 1929 to economic disorders because of the abrupt cessation of lending ;
>
> The United States has accumulated considerable needs for new capital equipment, in contrast to 1929 ;

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The United States has adopted to-day a liberal trade policy—in contrast to the high-protection policy of 1930.

All these factors, according to the League survey, tend to improve the resistance-capacities of many countries against the menace of a crisis. Let us study this assertion in more detail.

I have dealt with the problem of making countries secure against crises through armaments in a series of articles in the LABOUR MONTHLY. It is sufficient to quote here only the fact mentioned in last month's issue that in spite of the really astonishing increase in armament activity in Great Britain during the last year steel production to-day is about 40 per cent. lower than last year.

The facts that banks are in a more liquid position just as the " accumulated needs for new capital equipment " in the U.S.A. are symptoms of the modesty of the upswing in business activity in the period before the crisis, but not symptoms of the lightness of an impending crisis. That a very modest upswing can be followed by a severe crisis has been shown often enough ; a good example being the development in Great Britain from 1922 to 1932.

As to the influence of the abrupt cessation of long-term lending it really is nil. While Germany, for instance, was borrowing enormous sums before the crisis of 1929-32, the United States was lending enormous sums, but neither the fact that Germany suddenly did not receive any further sums, nor the fact that the United States suddenly " could use the money they would have lent, if there had been no crisis, for themselves " saved both countries from being hit equally hard and hardest of all capitalist countries by the crisis.

Whether a trade policy is protective or free, can affect to a certain degree the extent of the crisis, and does affect in a small degree the distribution of the burden of the crisis, the masses being a little less badly off if free trade prevails, but it does not influence economic conditions in such a way as to decide for or against a crisis.

There is, we see, a certain difference between the last-mentioned and the former factors ; while the former either do not contribute at all to a lessening of the crisis, or are rather an indication of the modesty of the upswing preceding the crisis, the last one mentioned may mitigate the crisis to a very small extent and may lift a small particle of the burden that a crisis involves for the masses of the people.

There is one more important factor mentioned by the League survey with which we have not dealt yet ; it refers to the greater readiness of Governments to adopt measures of monetary expansion and public works (in this connection we can deal also with the fact that prevailing interest rates are lower than in 1929). Can such measures mitigate the crisis or even avert it ?

The greater readiness of monetary authorities and Governments to adopt measures of monetary expansion really refers to nothing other than the greater readiness of monetary authorities and Govern-

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ments to use means of inflating credits or paper currency in order to "fight the crisis." In Great Britain, for instance, where the Government has been doing everything to keep credit conditions easy and the rate of interest low, the cost of living is higher to-day than last year "and yet" steel production is 40 per cent. lower. In 1930 steel production was lower by about the same percentage, but the cost of living was not higher than in 1929, on the contrary, it was lower. Thus the greater readiness to indulge in monetary expansion will not only not contribute to a lessening of the crisis ; on the contrary, if this tendency continues and is accentuated with the deepening of the crisis, this tendency must lead to the development of a very different but a no less and probably a much more terrible characteristic of the crisis. For this policy must lead, if it is pursued on a limited scale only, to high prices while production falls at least as much as or very probably even more, than during the preceding crisis, while unemployment increases at least as much or very probably even more ; and the high cost of living will press on wages, salaries and pensions heavily.

But do high prices not lead to high production ? By no means. We only need to remember two examples to see at once that this conclusion reached by many "authorities in trade cycles and economics in general" is wrong. The one example is the behaviour of production and prices in monopoly industries during the last crisis. During the crisis of 1929-32 prices in monopoly industries declined considerably less than in other industries—an incentive for monopolists to keep production up. On the contrary, in few industries did production decline as much as in the monopolistic industries. During the present crisis in England steel prices have been kept up, and there is no industry which during recent months has suffered such a decline in production as the steel industry. But, it may be said, this may be due to the fact that these industries could sell so little because their prices were high in relation to the prices of other goods ; if all prices of goods were kept high, so it may be argued, then the situation would be different. Indeed, the situation would be different, but only in so far as general production would decline even more than during the last crisis. For the crisis is due to over-production, and the contradictions caused by this over-production can only be surmounted by a corresponding fall in prices and production. If prices are kept up production has to fall correspondingly more in order to restore the balance between the value of production and the amount of purchasing power available among the buyers of production and consumption goods. If all prices are kept up, production must fall still more and unemployment will therefore also increase still more, and though it is an open question whether the crisis will last longer, there can be no doubt that it will be considerably more severe than the previous crisis.

All these arguments refer to a controlled credit and paper currency expansion. It is possible, however, that this expansion will get out of

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control or that intentionally rapid inflation is brought about. In this case the crisis may be even more severe, the masses will be hit even harder, and undoubtedly the burden of the crisis will be shifted to an even greater extent upon the masses of the people than would otherwise be the case. After the experiences of Central Europe with an inflation crisis in the years immediately following the last world war, there is little need to paint a detailed picture of what inflation means for the masses of the people.

There is finally one argument left: Governments are more ready to-day than in 1929 to undertake public works. With the exception of the United States where we have a progressive government in contrast, for instance, to the Chamberlain Government, there is no more readiness to-day for public works than nine years ago, except in the case of "public armament works," and the effects of armaments upon the crisis we have already discussed often in the pages of this journal.

Concluding the discussion of the factors which the League survey mentions as contributing to an avoidance of the crisis, we find that they have only a very slight effect upon the distribution of the burdens of the crisis (trade policy), that they have no influence at all upon the distribution of the burden or the severity of the crisis or that they may in fact contribute to an increase in the severity of the crisis.

By concluding the discussion of the points raised by the League survey we have, however, not yet concluded the discussion of the somewhat more comprehensive problem: are crises alike and can one conclude from the fact that the conditions in which a recession takes place are dissimilar from those that prevailed during the previous crisis, that the new and different "recession" is only a temporary setback and no crisis at all?

On the one hand we must keep in mind that a certain sequence of cause and effect is common to all crises, otherwise they would not be what we understand as cyclical crises in the capitalist system. Firstly, the fundamental condition of such a crisis is, of course, the existence of a capitalist system in which the goods are produced by society as a whole while the means of production and the accruing products belong to a small number of private individuals; this condition of production means that production proceeds anarchically. This anarchy of production must lead, in the course of time, to over-production, usually within seven to twelve years; through the crisis the contradictions between production and purchasing power are temporarily dissolved and a new cycle of production can begin. All crises, therefore, are over-production crises.

But here the similarity between crises ends. A crisis may start in the most different branches of the national economy: in the sphere of finance or that of production or that of distribution, it can break out first in the textile industry or in the iron and steel industry; it

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can develop while interest rates are high, but it can also develop when they are low ; it can take place in a deflationary way with prices and wages declining rapidly, or it can take place in an inflationary way with prices rising, with money wages rising, and with real wages declining more steeply than ever ; it can take place while the " political horizon " is cloudless, and it can take place under a politically clouded sky. To put it briefly, crises can take place under almost any circumstances if the fundamental conditions of every crisis mentioned above are fulfilled.

We must be careful, therefore, to get the right angle when we look at the " differences of economic conditions " in a period in which a crisis is beginning. Having once established that it is a real crisis caused by overproduction, the differences between the present and the preceding crisis cannot be used as an argument against the fact that the present crisis really is a crisis. These differences must, however, be studied with the greatest care in order to decide upon the strategy and tactics best fitted for the labour movement in its endeavour to force the greatest possible burden of the crisis upon the ruling class and in its more far-reaching endeavour to overthrow the ruling class during the crisis.


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# Chamberlain and the November Elections

## BY IDRIS COX

THE GRAVE WAR tension in Europe will hang like a dark shadow over all the activities in preparation for the November municipal elections this year, but it will not hide the fact that the foreign and home policy of the Chamberlain Government are of the same pattern, threatening the lives and interests of the British people. The dominant group behind Chamberlain, and in particular the Beaverbrook press, is not slow to recognise that it is comparatively easy to persuade the " man in the street " to keep clear of foreign events and devote attention rather to his " own business."

Faced with the prospect of a further slump and a new threat to attack the social services, the campaign for the November elections will raise issues which can make clear the fact that it is precisely on the backs of the British people that Chamberlain aims to place the burdens and consequences of his pro-Fascist foreign policy. The immense cost of increased armaments, brought about by this ruinous foreign policy, will not fall on the rich capitalists and landlords. Chamberlain aims to impose this burden on the shoulders of working men and women and people of small means. At a time when speed up in the factories and long periods of unemployment calls for an extension of the social services, the Chamberlain group intends to cut down the budgets of the local authorities.

### *Social Services*

Two-thirds of the national budget goes towards financing measures for war. The main bulk of the money expended by local authorities is for social services. The Chamberlain Government is now out to rob the local authorities in order to provide more money for war, and by doing so strikes a blow against every working class home and the hard-pressed middle class.

The main issue for the Labour Movement and all progressive people for the November elections is the maintenance and extension of the social services. More school children need to be fed in the schools, better facilities for education and increased maintenance grants, more maternity hospitals and nursery schools, more parks and swimming pools, and better provision for public health.

### *Air Raid Precautions*

The foreign policy of the Chamberlain Government is provoking

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war, but while there is no limit to the new financial estimates to provide arms, it refuses to provide adequate protection to civilians from air raids and is crippling the efforts of local authorities to plan effective schemes for the protection of the people. It aims, not to protect the people, but to get military control of the civilian population.

The people want adequate protection against the dangerous menace of air raids which the ruinous policy of Chamberlain has brought to the homes of the British people. They want proper bomb-proof shelters, the best gas masks that science can provide, adequate preparation for evacuation from densely populated areas, and democratic control of all schemes for air raid precaution.

### *Public Works*

Even in face of the prospect of a new slump the Chamberlain Government is not only preventing the development of public works but actually bringing pressure on local authorities to slow down on the existing plans, on the plea that money is needed for more armaments. The assistance to the Distressed Areas is a tragic farce, and the number of men taken on in the new industries in these areas does not compensate for one-third of the increase in unemployment since last year.

The people demand a big increase in public work schemes, not only because this would provide work for the unemployed, but also because it would improve social amenities, safeguard public health, and help to lighten the lot of the working people as a whole.

### *Housing*

Working-class housing is one of the biggest scandals of British civilisation. The most recent survey of housing conditions, though limited by the low standards set by a reactionary Government, reveals that no less than 341,554 working-class dwellings in England and Wales are overcrowded. In Scotland no less than one-fourth of the total dwellings examined, 258,987 out of 1,146,534, were overcrowded.

Government housing schemes are not able to keep pace with the increased overcrowding, still less with the need for new housing development. The slum clearance schemes are proceeding at a snail's pace, and even so provide almost as much loot for the land profiteers as they do in assisting working people in getting better houses.

The people want more houses at lower rents. Instead of reducing housing grants to local authorities and forcing them to abandon their schemes or restrict their scope, the people want more and bigger housing schemes. They want to maintain the restrictions on rent increases and demand more power to local authorities to put a stop to the rent racketeers.

### *Poor Law Relief*

Apart from nearly two million registered unemployed, over one million are on poor law relief. The latest official figures (Municipal Year

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Book, 1938) reveal that while the number on poor law relief was 7 per cent. less in 1937 than the previous year, the amount paid out was reduced by 30 per cent.

No matter what aspect of local government work is examined, the one obstacle to progress and advancement is the policy of the Chamberlain Government. Through the Derating Act which gives 75 per cent. exemption to industry and total exemption to agriculture, millions have been put into the pockets of rich landlords and big capitalists. It is the working people and the hard-pressed middle class who have to foot the bill.

Local authorities all over the country are finding from their own experience that the National Government is the main barrier to the expansion of the social services and the betterment of the people. And this is not confined to Labour authorities. Through the system of block grants, centralised control, etc., the Chamberlain policy is a menace to the democratic independence of all local authorities.

### *Make the Rich Pay*

Unity of Communists and Labour in the November elections to win more Labour majorities, and joint action to return Labour and Communist candidates, can be a big step forward to bring about the defeat of the Chamberlain Government. Labour can lead the fight to make the rich pay for increased social services, better housing, increased scales of poor law relief, and to ensure more effective air raid precautions.

The fight for this minimum programme will bring out to the light of day the policy of those who are the agents of the Chamberlain Government within the local authorities and those who are really fighting in the best interests of the people.

Labour can win hundreds of new seats. But this is not enough. There are scores upon scores of local authorities not yet won for Labour which can be brought into a mighty movement of resistance to the policy of the National Government.

Labour can win new majorities in scores of places. But the pressure of events and the menace of the British people makes it a race against time, and the time is too short to wait for Labour majorities on every local authority. Labour can give the lead to bring even the non-Labour local authorities into action in defence of the people.

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# Local Government Finance

## BY A LABOUR COUNCILLOR

THE LOCAL FINANCIAL system, and above all the rating system, is both inadequate and unjust. It provides local authorities with such limited sources of revenue that they are quite unable to undertake the wide extension in the social services which is so urgently necessary at the present time ; and the revenue that it does provide is raised by methods that are so inequitable and which bear so heavily on the working class and the middle class that the recent comparatively small increases in the rates are arousing a justified sense of grievance among ratepayers throughout the country. Moreover, this sense of grievance is being ruthlessly exploited by those who desire to curtail the social services, who base their whole propaganda on the assumption that the only way to reduce the rates is to economise in expenditure on the social services.

The most strenuous opposition to this campaign is necessary. The labour movement must demand that a lowering of the rate burden on the working class should be effected, not by economising on the social services, but by a thoroughgoing reform of the rating system which will transfer the major portion of the burden squarely on to the shoulders of the rich, and at the same time make possible a great increase in the revenue of local authorities. In its present form the rating system, by compelling the working class to bear the main burden of any improvement in the social services, acts as the most effective barrier in the way of further progress in local government. For too long the whole system of local finance has been regarded as fixed and unalterable. The opportunity of the forthcoming elections must be taken to expose this system in detail, emphasising that it is not within the powers of local authorities to make the necessary reforms ; the National Government alone has the power, and a sufficiently widespread movement can compel it to make the required changes.

### *Are Local Authorities Extravagant?*

Before examining the rating system in detail it is necessary to refer to the argument that the extravagance of local authorities is the chief cause of the trouble, and that the recent increase in their expenditure is out of all proportion to the country's capacity to pay.

The total receipts from rates was £148 million in 1932, and has since risen to £176 million in 1938, which represents £4 6s. 3d. per

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head of the population and a rate of 11s. 7d. in the pound. The total expenditure of all local authorities in 1936 amounted to £347 million. The extent and variety of the services provided by local authorities is immense, so that the total volume of their expenditure necessarily reaches a high level. But the question is, has this sum been increasing as rapidly as the enemies of the social services try to make out?

Between 1932 and 1937 the total expenditure of local authorities increased by 9 per cent., an average increase of only 1.8 per cent. per annum. Over the same period expenditure on armaments rose by no less than 58 per cent. Between 1932 and 1938 receipts from rates rose only by 17 per cent., an average increase of 2.5 per cent. per annum, which is small when compared to an average increase of 12 per cent. per annum in the ten years 1918-28. It seems only reasonable to take the figures for the whole period during which the National Government has been in office, for the economies forced upon local authorities during the years of depression are partly responsible for the increased expenditure in the more recent years. But even during the period of most rapid rise in rates, 1935-37, receipts from rates increased only by 10 per cent. in comparison with a 25 per cent. rise in profits over the same period. Moreover, a considerable part of the recent rise in expenditure is caused by the rise in prices and wages, of which a fair example is the rise in the cost of building an ordinary non-parlour house from £323 in 1936-37 to £364 in 1937-38, a rise of 12 per cent. This brief survey hardly reveals an extravagant increase in local expenditure; on the contrary, the progress made by local authorities under the National Government has been extremely slow.

*Sources of Local Revenue*

The yield of the principal sources of local revenue for 1935-36 was as follows:

| | £(000,000) |
|---|---|
| REVENUE ACCOUNT— | |
| Rates | 164.9 |
| Government grants | 132.9 |
| Other sources (mainly public utilities) | 183.5 |
| | 481.3 |
| CAPITAL ACCOUNT— | |
| Loans | 82.3 |
| Government grants | 2.5 |
| | 84.8 |
| Grand Total | 566.1. |

The heading "Other sources" includes the income received from the sale of water, gas, electricity and the other public utilities, and since this income was almost exactly balanced by the cost of production we need not examine this heading any further. We are therefore left

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with three main sources of revenue, namely, (1) Rates, (2) Government Grants, and (3) Loans.

### *The Rating System*

When the rating system was first established well over three hundred years ago, the rent paid by the occupiers of land was the obvious measure of ability to pay. But owing to the vast increase in forms of wealth other than land that has taken place since then, the amount of rent paid by a householder no longer has any close relation to his ability to pay. It has, indeed, a reverse relation, for the proportion of income paid in rent gets continuously less as the income gets greater.

It is not unusual for a worker to pay 30 per cent. of his wage in rent, whereas out of an income of £400 to £500 about 10 per cent. goes in rent, and out of an income of £4,000 only about 5 per cent. The burden of rates is heaviest on those who can least afford to pay them. A calculation made for Manchester in 1926,* when the rates were 14s. in the pound, showed that a married man with children earning £2 15s. 0d. a week paid nearly 10 per cent. of his wage in rates, while a man earning £2,000 a year paid 2 per cent. in rates, or one-fifth as much.

Rent varies so much in the proportion which it forms of income that the number of ways in which the rating system works unfairly are endless. A worker pays the same amount in rates whether he is employed or unemployed ; a married couple with several children are compelled to occupy a larger house than a married couple without children, so that the former will have to pay higher rates than the latter even though their incomes are the same ; a shopkeeper who is compelled to occupy a highly rated site in the main street of a city pays far more in rates than a doctor who has the same income and yet requires only a single room in a back street for his practice ; and since rates are only paid by the " occupiers " of houses a good many people living in hotels, etc., who pay income tax escape the payment of rates altogether ! Such examples could be multiplied indefinitely to show the haphazard and inequitable way in which the burden of rates is distributed among the population.

The most glaring injustice of all, however, is the lightness of the burden borne by manufacturing industry and the railways. The campaign by the owners of factories and railways demanding to be relieved of the small contribution they had to make to local authorities by way of rates bore its first fruits in 1925, when machinery and plant were largely derated by the Conservative government of the day ; and attained final success in 1929, when Mr. Chamberlain, as Minister of Health, calmly relieved them of three-quarters of their rates amounting to £22 million per annum. Although local authorities were compensated for this loss by means of the block grant, the effect of derating

**A City Council from Within* by Sir Ernest Simon.

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has been to throw the main burden of any increase in the rates since 1929 on to the householder and shopkeeper.

The combined figures for six typical industrial towns* for the year ending April 1, 1938, show that nearly 50 per cent. of the total amount raised in rates was paid by householders, while 4.2 per cent. was all that manufacturing industry and the railways were called upon to pay. Shopkeepers as a whole paid 15.4 per cent. of which no less than 5.5 per cent. was paid by the class of small shopkeepers whose shops form part of their houses. *In other words, this class of small shopkeeper paid more in rates than the whole of manufacturing industry and transport together,† while shopkeepers as a whole paid over three times as much.*

Owing to the great variation in the prosperity of different districts in the country there are equally wide variations in the relation between rateable value and population ; thus in 1937 Eastbourne had a rateable value of £15 18s. 0d. per head, whereas in Merthyr Tydfil it was only £3 8s. 0d. per head. Yet the need for social services, especially public assistance, is far greater in the most depressed areas than anywhere else ; so that a householder unfortunate enough to live in a certain parish in Glamorganshire would in 1937 have had to pay nearly seven times as much in the pound as he would if he had been lucky enough to live in a certain parish in Lincolnshire (27s. 3d. instead of 4s. 1d.). Although these figures probably exaggerate the difference owing to lack of uniformity in the methods of assessing the rateable value, they are sufficient to give some idea of the striking disparity between the rate burdens in different places.

Since the rateable value of a house is assessed by deducting a fixed amount from the annual rent paid for the house, the rateable value should be the same proportion of rent throughout the country. This, however, is far from being the case, for various considerations make it desirable for a district to have as low a rateable value as possible ; above all, the lower the rateable value of an urban or rural district the less it will have to pay towards the County Council's expenses. Consequently, a house of a certain size may have widely different rateable values in different districts. The Central Valuation Committee which was set up in 1925 has made constant efforts to achieve greater uniformity but has hitherto met with no success. Its most recent attempt to persuade local rating authorities to raise their rateable values to a uniform level provoked such a widespread protest from those authorities who were likely to suffer most from the revaluation that the Ministry of Health has been compelled to appoint a Departmental Committee to examine the whole question.

*Birmingham, Manchester, Newcastle, Coventry, Norwich, York.

†It should be remembered that the derated properties do not include all kinds of industrial property ; warehouses, offices, public utilities, hotels and cinemas were not derated.

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This brief survey shows clearly that the rating system is, as stated at the beginning of this article, both unjust and inadequate. In some towns with rates of between 15s. and 25s. in the pound the burden on the ratepayer is so severe that any substantial improvement in the social services is out of the question. This situation is being reached in more and more districts every year. It is imperative to change it if further progress in local government is to be made. In its present form the rating system deserves to be put, in words used by Engels in a slightly different context, " in the museum of antiquities, side by side with the spinning wheel and the bronze axe."

### *Government Grants*

Government grants form a source of revenue which, as the table given above shows, is little less important than the rates. Out of a total of £135 million in 1935-36, £45 million were given through the block grant, and the remainder was distributed by percentage grants of which the most important were education (£43 m.), housing (£14 m.), police (£11 m.) and highways and bridges (£9 m.). The total of grants was very little greater in 1935-36 than in 1931-32, and owing to the increase in the amount raised in rates the proportion of grants to the total expenditure of local authorities actually declined from 46.5 per cent. in 1931-32 to 44.5 per cent. in 1935-36. This is the first time for many years that such a decline has occurred and is a good example of the treatment which local authorities have received from the National Government.

Until 1929 most grants were distributed on a percentage grant basis, whereas since 1929 roughly one-third of the total has been distributed by means of the block grant. What is the relative advantage of these two methods ?

A percentage grant varies according to the expenditure of each local authority ; thus, if the education grant is at the rate of 50 per cent., each authority knows that, for every £10,000 which it spends on education, the government will contribute £5,000 and only £5,000 will have to be raised from the rates. Provided that it is at least 50 per cent. it has been found by experience that a percentage grant acts as a powerful stimulus towards increased expenditure, and for long it has incurred the hatred of reactionaries to a corresponding degree. For many years a campaign was carried on for the abolition of percentage grants, until in 1929 Mr. Chamberlain took advantage of the derating proposals to introduce the block grant for two purposes (*a*) to compensate local authorities for the loss caused by derating, and (*b*) to abolish percentage grants over a wide range of services consisting mainly of public health services. The block grant is calculated as a percentage, not of the expenditure of each local authority, but of the total expenditure of all local authorities in a given year. It remains the same for a period of five years and is recalculated on certain com-

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plicated principles at the beginning of each five-year period. The consequence is that each authority is discouraged from spending more on any service covered by the block grant, since the whole of the increased expenditure will fall on the rates, instead of only half as in the case of a 50 per cent. grant. Therefore the block grant acts as a powerful drag on the desire of local authorities to improve the services covered by the grant. It is significant, yet only to be expected from a capitalist government, that percentage grants have been retained for expenditure on the police.

The block grant has one advantage over the present form of percentage grant. It is distributed among local authorities according to a formula which causes the amount received by each authority to vary according to the poverty or prosperity of each district. This is a sound principle, but supporters of the block grant sometimes try to make out that for this reason the block grant is superior to a percentage grant. Nothing could be further from the truth, for the principle could be extended to percentage grants, and in fact has been applied to the A.R.P. grant (which is a percentage grant).

The block grant is therefore a subtle instrument designed by a Tory government to discourage expenditure on the social services. It is essential not only to prevent its extension to other services but to secure its abolition and a return to percentage grants for all services, graded according to the need of the authority. The grant should be at least 50 per cent. in all cases, rising to much higher proportions in the case of particular services (such as maternity and child welfare) which it is especially desired to encourage. Clearly it is well within the resources of the capitalist class to pay the far larger sums to local authorities which this policy would involve. There is no need for any portion of these increased grants to be paid by taxation on the working class ; the necessary money can be raised entirely from the rich by increasing the rates of super-tax, death-duties and other luxury taxes to the required extent.

### *Capital Finance*

The loans raised by local authorities to finance the construction of permanent works are the least unsatisfactory source of local revenue. It is constantly said that local authorities are overburdened with a terrible weight of debt. But this is not the case. The total loan debt of local authorities for the year 1935-36 amounted to £1,451 million, on which the annual loan charge was £100 million, made up of £60 million in interest payments and £40 million in repayment of capital. It is true that this is a considerable sum, but it is entirely misleading to compare loan charges of £100 million with the £164 million raised from the rates, as is sometimes done, for the loan charges are spread over the whole expenditure of local authorities which in 1935-36 amounted to £471 million. The following table divides the total into



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its main components:

LOAN CHARGES, 1935-36 (£000,000)

| | Total Debt | Loan Charges |
|---|---|---|
| Trading services .. .. | 483 | 35 |
| Housing .. .. .. | 552 | 31 |
| All others .. .. .. | 416 | 34 |
| Total .. | 1,451 | 100 |

The loan charges on the capital raised by the various trading services are met out of the receipts from those services, and the charges in respect of housing loans were almost completely covered by receipts from rents and grants from the government, leaving only a sum equal to just under 3d. in the pound to be borne by the rates. The only part of the loan charges which really fall to be borne by the rates are the charges in respect of all rate fund services (education, health, etc.) other than housing, which amounted to £34 million, equal to a rate of 2s. 3d. in the pound. Thus the total burden of loan charges was less than 2s. 6d. in the pound, which is not such a formidable total as it is usually made out to be. After a century of borrowing for all kinds of purposes local authorities have borrowed less than the £1,500 million which the National Government intends to spend on armaments in five years. Owing to the universal practice followed by local authorities of paying off their loans within a definite number of years, the real value of municipal assets must be far greater than the total indebtedness, and may well amount to anything between £2,000 and £3,000 million. Further, thanks to the recent fall in the rate of interest loan charges were actually £860,000 less in 1936 than in the preceding year in spite of an increase in the amount borrowed.

Nevertheless the payment of loan charges is a heavy drain on the local finances. Should local authorities endeavour to restrict their borrowing to the narrowest limits in order to keep loan charges at a minimum?

In a planned socialist economy this difficult problem would not arise. Each year a certain proportion of the resources of the country would be allocated by the central planning authority to the various local authorities according to their needs and the productive capacity of the country. No need for the payment of interest would ever arise, and this is, indeed, the happy state of affairs in the Soviet Union to-day. But this is small comfort to us who live in a capitalist world. So long as all capital resources are in the hands of a small minority, who are willing to place them at the disposal of local authorities in return for the payment of tribute spread over a number of years, local authorities must take advantage of this opportunity. They would be foolish not to do so while the rating system provides such an inadequate amount of revenue; and since the benefit of capital expenditure is spread

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over a number of years, it is fair and reasonable that the burden of paying tribute to the capitalist class should be spread over the same number of years.

This healthy dislike of paying interest is the cause of much confusion in the ranks of the labour movement. Many a councillor, rightly foreseeing the time when interest will cease to be necessary, fails to realise that this desirable state of affairs has not yet arrived and that the payment of interest, like many other unpleasant features of capitalism, is at present inevitable and must be faced. Accordingly, the demand that local authorities should reduce their borrowing to a minimum. Yet this attitude is precisely the one which the National Government would like to see adopted, since the reduction of capital expenditure is one of the first and easiest methods of economising in the social services. The Government is now planning a new attack on the capital expenditure of local authorities. Sir Kingsley Wood has recently issued a circular urging local authorities to plan their capital expenditure for the next five years and to place the different items in order of importance, thus providing a means whereby the government will be able to curtail such expenditure with the minimum of friction.

Accordingly local authorities should boldly exercise their powers of borrowing to the fullest extent, but at the same time every effort should be made to lighten the burden of loan charges. The best way of achieving this would be for the government to give much larger grants in aid of the capital expenditure of local authorities than it is giving at present. In 1936 a meagre £2½ million were given in aid of highway improvements, and since then small capital grants have been offered for building schools and A.R.P. A large expansion of capital grants would be the surest way of easing the burden of loan charges and encouraging local authorities to embark on ambitious schemes of social development.

### *The Reform of the Rating System*

In so far as government grants are largely increased in the ways suggested above, the amount of local revenue to be raised from the rates will be diminished, and the inequitable incidence of the remaining rate burden will be less severely felt than it is at present. But the need to expand local sources of revenue will still be urgent, and the following are the principal ways in which this can be done.

1. There is no conceivable reason why manufacturing industry and the railways should continue to pay only one-quarter of the rates which they formerly paid. Even at the 1929 level the rate burden was well within their capacity to pay. The derating provisions of the Local Government Act, 1929, should be immediately repealed in order that industry can be compelled to make a reasonable contribution towards the cost of the social services from which it derives so much direct and indirect benefit.

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2. There is no reason why the revenue raised from the rates should be levied at a flat rate. The rating system should be transformed into a progressive tax (like income tax), so that those living in houses of high rateable value will pay rates at a higher rate in the pound than those living in houses of a low rateable value. In this way a further part of the rate burden could be shifted to the occupiers of large houses.

3. The bill which the London County Council is promoting in the next session of parliament in order to enable the Council to levy a rate of 2s. in the pound on the annual site value of land is worthy of the strongest support. The object of this proposal is to transfer part of the burden of rates from the occupier to the landowner. Landlords as such contribute nothing towards the cost of local services, in spite of the fact that the value of their land depends entirely on the activity of the surrounding community including the expenditure of the local authority. It is truly remarkable that landlords should have avoided such an obvious tax for so long.

Since the estimated annual value of the land in the L.C.C. area amounts to £30 million, the yield of the tax on site values is expected to be the substantial sum of £3 million. Besides forming a new source of revenue the tax will tend to lower the rents demanded for unoccupied sites and empty buildings (which do not at present pay rates) and consequently to bring into use a large quantity of property which is kept unoccupied owing to the high rents demanded by the landlords.

A tax on site values is already successfully working in many parts of the world, including Denmark, New Zealand, Queensland and South Africa. It should be extended to cover the whole country at the earliest possible moment. But in making this extension careful consideration would have to be given to the position of the small owner-occupier. It is true that the value of the site forms only a small proportion of the total value of a small house, but it might well be advisable to exempt the small owner-occupier altogether. A similar exemption ought probably to be extended to the small farmer who owns his farm.

4. An alternative to the rating system that has been proposed is a local income tax. This proposal must be sharply distinguished from the quite different suggestion of a levy by local authorities on the national income tax. We have already suggested earlier in this article that the rates of income tax, super tax, etc., should be greatly increased to provide larger grants to local authorities, and that these grants should be distributed on a percentage basis. A local income tax means that each local authority, whilst making use of the calculations made by the income tax authorities in order to arrive at each taxpayer's taxable income, will itself assess and collect the proceeds of the tax from the income tax payers who live in its area. A local income tax is already in operation in Denmark, Sweden, Finland, certain cities in Canada and other places. It is a far better measure of ability to pay than any rating system can ever hope to be. There is a great deal

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to be said in favour of such a tax, and the government ought to make a thorough enquiry into its possibilities as a partial or complete alternative to the rating system.

5. The example of the famous Socialist administration of Vienna in the years after the war might well be followed in England ; a whole series of luxury taxes levied entirely on the rich were devised, such as the tax on expensive restaurants, the tax on advertisements, and the taxes on those who possessed servants, horses used for pleasure, and dogs, which rapidly increased as the number of servants, horses or dogs owned by the taxpayer increased. It might well be desirable to grant local authorities the power to levy similar luxury taxes on the wealthy inhabitants in their areas.

6. All proposals for the reform of the rating system are bound to fail unless they are combined with the restriction of rents, for landlords would not be slow to take advantage of any fall in the rates to increase the rents. Moreover, in so far as a policy of restricting rents to a level considerably below the present level is carried out, the burden of rates will no longer be felt so severely as it is at present.

In the coming municipal elections the rôle of the National Government in refusing even an enquiry into the rating system, in supporting the block grant, and in refusing to give substantially larger grants while constantly placing new duties on local authorities, must be clearly and thoroughly exposed. If the National Government could be forced to concede only a few of the reforms outlined above, a far-reaching extension of social services would be possible together with a considerable reduction in the burden of rates on the working class.

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# Labour Authorities and A.R.P.

## BY COUNCILLOR H. D. HUGHES

IT IS STATING the obvious to point out that the present necessity for A.R.P. arises from an international situation, which, had the National Government fulfilled its pledges to collective security and the League of Nations, could never have arisen. The betrayal of the League is already costing the British taxpayer over £350 million a year in re-armament, and it is openly admitted that this expenditure is for purposes of retaliation, and in no way provides the civilian population with any measure of " passive defence."

Only in the last few months, when almost every day we are forced to scan the newspapers anxiously to learn if a major European war has already broken out, has any wide attention been given to passive defence. Faced with the unpleasant fact that any effective A.R.P. scheme for London, leaving the rest of the country out of account, would mean enormous extra expense, the Government has evaded the issue, put forward trifling schemes, and put the whole responsibility and a considerable proportion of the cost on the shoulders of local authorities.

Local authorities, especially those under Labour control, are placed in an extremely difficult and anomalous position. They are responsible for preparing schemes on the lines laid down by the Government, designed to deal with the danger of gas and ignoring that of high explosive and incendiary bombs, which most of them believe to be the real threat. They are told to educate their householders in the means of making their homes gasproof when they know that in the case of working class houses, and probably many middle class houses, this is either entirely impossible or at least prohibitive in cost. And they know that the more effective their scheme, the greater will be its expense, and this at a time when, owing to rearmament, local government costs are rising in every sphere of activity. At a time, too, when supporters of the National Government throughout the country are mobilising to demand still lower rates. The Labour Councils know that, even if they are content with merely carrying out A.R.P. schemes on Government lines, they will have to choose between imposing enormous new burdens on the ratepayers or sacrificing improvements in social services which they believe to be necessary and to which in many cases they are pledged. And when they have carried out such a scheme, they cannot feel secure that it gives anything like adequate protection to the mass of the population. Yet the Government has cleverly ensured that the anger

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of a population which finds itself defenceless in the early stages of a war will be directed not against itself but against the local authorities which it is seeking to use as its helpless tools.

It must be obvious to any layman that effective air defence of Greater London is a single problem which could only be dealt with effectively by a unified authority. Yet in the Metropolitan Area alone responsibility for A.R.P. has been delegated to 26 Borough Councils who are proceeding to muddle through in different ways with different degrees of thoroughness. This not only has the effect of a dangerous lack of co-ordination, but also means that the greater burdens are laid on the poorer authorities than on the more prosperous boroughs. It has been calculated that the product of a 1d. rate together with the corresponding Government grant would enable Westminster to spend 16s. 3d. per head on A.R.P., while leaving Bethnal Green with a mere 1s. 8d. per head.* The present Government schemes are estimated to work out at an expenditure of some 5s. per head (a 3d. rate on Bethnal Green, less than ½d. on Westminster), while the cost of effective schemes combining evacuation and shelters could not be lower than £10 per head. Manchester Borough Labour Party's scheme on the following lines is estimated to cost £7¼ million, of which £1,890,000 would have to be borne by the City.†

Quite apart from financial considerations and the lack of co-ordination, local authorities are being made the scapegoats for the mistakes of a policy over which they have no general control, which unknown to them may be radically changed at any moment, which deals with a war problem which is quite outside the scope of local government. Labour local authorities believe that an effective A.R.P. scheme requires the evacuation from London and other centres of attack of all people whose services are not essential in those centres in time of war, and the provision of effective shelters for the rest. But the Government's policy on both these matters is obscure. The report of the Parliamentary Committee on Evacuation is being withheld from publication for the present, and until evacuation is settled it is obviously impossible to estimate the likely shelter requirements of the residential population. Official shelter policy still relies in the main on the population taking refuge in their homes, and when we read in the A.R.P. Handbook No. 6 that it takes 5 inches of reinforced concrete to keep out a 2 lb. incendiary bomb and that high explosive bombs may be expected to weigh from 250 to 3,000 lbs., the ineffectiveness of the average worker's home is reasonably obvious.

In view of the international situation, A.R.P. must be made a key issue in the forthcoming local elections. Labour, nationally and locally, must demand that immediate and effective measures be taken—that in view of the imminence of war a short-term policy of trenches and

*A.R.P.: The Facts by 10 Cambridge Scientists. (Fact No. 13, p. 58).
†*News-Chronicle*, 10/9/38.

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shelters be put into operation at once, and evacuation schemes prepared ; that if war is avoided for the moment a thorough evacuation and shelter scheme be planned out, the cost to be borne by the Government on whom the responsibility rightly rests. Such a scheme, if properly planned, need not be dead loss in time of peace—evacuation areas can be used as holiday camps, and tunnel-shelters used to assist in the solution of the traffic problem. The cost is great, but in comparison with that of rearmament it gives far greater value for money spent.

Where Labour Councils already exist, or where—as in London—there are no elections this year, a campaign must be launched to secure effective A.R.P. measures. Labour Councils should prepare schemes, organise deputations to the Home Office, etc. Above all, they must make clear to the population by towns meetings, etc., that present A.R.P. methods are ineffective, and must organise popular opinion to demand from the Government comprehensive evacuation and shelter schemes.

But the keypoint is that the National Government, having led us to the brink of war, is exposing the British people almost defenceless to the German bomber. It is the task of the Labour Party at the elections to make this clear, and of the Labour Councils that will be elected to demand effective A.R.P. from the Government and to force it to face its obligations.

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# DOCUMENTS OF THE MONTH

[*In this section we intend to publish from month to month the text of such documents as seem to be of importance for record for the Labour and Democratic Movement. Their inclusion in the pages of the* LABOUR MONTHLY *will form a permanent record and, we hope, provide readers with a valuable source of reference.*]

THE FOLLOWING RESOLUTIONS were among those passed by the T.U.C. meeting at Blackpool on September 5-10, 1938:

### ARMS FOR SPAIN

This Congress shall forthwith determine what effective steps shall be adopted by the entire Trade Union Movement to secure a co-ordinated policy that has for its object the removal of the ban on Arms for the duly elected Government of Spain, as the policy now being pursued by the pro-fascist National Government is against International Law and Usage.

(*Moved by the Associated Society of Locomotive Engineers and Firemen.*)

### INTERNATIONAL UNITY

This Congress expresses its regret at the absence of any satisfactory result of the negotiations between the I.F.T.U. and the Russian Trade Union Movement, reaffirms the desire and policy of the British Trade Union Movement to establish complete unity and common action by Trade Union Organisations in all countries, and asks the General Council to continue their efforts to achieve this object.

(*Moved by the National Union of Tailors and Garment Workers.*)

* * *

Manifesto issued by the three Executives of the Labour Movement and adopted by the T.U.C. at Blackpool, September 8, 1938.

### THE INTERNATIONAL SITUATION

The whole world stands to-day upon the brink of war. Appalling and irreparable disaster threatens the foundations of our civilisation, because of the unrestrained violence and display of military force by the aggressor States.

In so grave and imminent a crisis, the British Labour Movement is compelled to place on record its regret that so heavy a responsibility for this situation rests upon the indecisive and misdirected policy of the British Government in these last seven years. It is this weakness that has everywhere been an incentive to those Powers which pin their faith to force. It is this weakness that has helped to undermine the authority and prestige of the League of Nations. Franco's rejection of the Non-Intervention Committee's proposals is the latest cynical comment on the weakness of the resistance offered to aggression.

The British Labour Movement has always insisted that peace is indivisible. That is why it has upheld the Spanish people in their determination to achieve their democratic emancipation, and has urged restoration of the Spanish Government's right to purchase arms necessary for their defence. That demand should be implemented forthwith and the French frontier opened. The failure to recognise the indivisibility of peace is emphasised anew in the threat to Czechoslovakia. The fate of the world is involved in its outcome.

No State in the post-war epoch has a better record of ordered democratic government than Czechoslovakia. No State has treated its nationalities more honourably. It

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is making a generous offer to satisfy their fullest aspirations. The acceptance of its offer would remove any legitimate grievances that are now under discussion.

Should the German Government, in spite of this, make war upon Czechoslovakia, it will brand itself as a traitor to humanity. Its provocative mobilisations and untruthful press campaigns impede the recovery of industry and trade, and poison international relationships. The German Government has demanded that Czechoslovakia yield its democracy to force and admit a totalitarian system within its boundaries.

These demands are incompatible with the integrity and independence of Czechoslovakia. Every consideration of democracy likewise forbids the dismemberment of the Czechoslovakian State by the subjection of the Sudeten German regions to Nazi Government control. British Labour emphatically repudiates the right of the British or any other Government to use diplomatic or other pressure to compel an acceptance of such a humiliation.

The British Labour Movement has no quarrel with the German people. It reminds them that in some of the darkest hours of their history it stood firmly for the policy of generous understanding towards them. It cannot believe that a great people will again allow their Government to drive them into enmity with the world. The German people are a solemn signatory to vital international treaties, not least the Kellogg Pact, binding them to a peaceful settlement of all disputes. It is not six months since the German Government reaffirmed the pledge to arbitrate differences with Czechoslovakia.

Yet the facts, grim as they are, must be faced. If mediation is not now successful, a relentless and inevitable chain of events will drag the whole world into war. France and the Soviet Union are bound by treaty to support Czechoslovakia if it is attacked. They have announced that they will at once honour their engagements. British interests are too closely involved, as declarations of the British Government have affirmed, for this country to be able to stand aside. The United States with all its great moral influence has made it clear through its authorised spokesmen that it cannot remain indifferent to potential world conflict.

The time has come for a positive and unmistakable lead for collective defence against aggression and to safeguard peace. The British Government must leave no doubt in the mind of the German Government that they will unite with the French and Soviet Governments to resist any attack upon Czechoslovakia. The Labour Movement urges the British Government to give this lead, confident that such a policy would have the solid support of the British people.

Peace is a living principle of the Labour Movement. Its members are the common people, who are the first to suffer and the last to recover from the ravages of war. British Labour does not stand for an unchanging world, but it demands the rule of law as a necessary condition of economic and social justice for all peoples, including the German people. Peaceful change can only come through friendly negotiations. Labour cannot acquiesce in the destruction of the rule of law by savage aggression.

The British Labour Movement, therefore, demands the immediate summoning of Parliament. It is in that historic assembly of our democratic State that these principles should be reaffirmed with the utmost energy and determination. Whatever the risks involved, Great Britain must make its stand against aggression. There is now no room for doubt or hesitation.

* * *

The National Council of Labour

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met on September 19, 1938, and issued the following statement:

The National Council of Labour, earnestly desirous of maintaining peace, views with dismay the reported proposals of the British and French Governments for the dismemberment of Czechoslovakia under the brutal threat of armed force by Nazi Germany and without prior consultation with the Czechoslovakian Government. It declares that this is a shameful betrayal of a peaceful and democratic people and constitutes a dangerous precedent for the future.

The National Council of Labour expresses its profound sympathy with the Czechoslovakian people in the grievous anxieties through which they are now passing. It reaffirms its conviction that enduring peace can be secured only by the re-establishment of the rule of law and the ending of the use of lawless force in international relations.

## *PUBLICATIONS RECEIVED*

*The Lost British Policy.* Barbara Wertheim. (United Editorial Ltd.) 1s. 127 pp.

*A.R.P.* J. B. S. Haldane, F.R.S. (Victor Gollancz Ltd.) 7s. 6d. 296 pp.

*Franco's Rule.* (United Editorial Ltd.) 3s. 6d. 264 pp.

*Foreign Intervention in Spain.* Vol. I. "Hispanicus." (United Editorial Ltd.) 7s. 6d. 751 pp.

*The Truth about Spain.* H. R. G. Greaves and David Thomson. (Victor Gollancz Ltd.) 2d. 96 pp.

*A Short History of the Unemployed.* Wal. Hannington. (Victor Gollancz Ltd.) 1s. 6d. 96 pp.

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*The Shadow of the Swastika.* G. T. Garratt. (Hamish Hamilton Ltd.) 5s. 248 pp.

*The Black Jacobins.* C. L. R. James. (Secker & Warburg). 12s. 6d. 328 pp.

*Lenin.* Christopher Hollis. (Longmans, Green & Co.) 10s. 6d. 285 pp.

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*Why Were They Proud?* (Pacifist Research Bureau.) 1s. 143 pp.

*The Tragedy of the Chinese Revolution.* Harold R. Isaacs. (Secker and Warburg.) 18s. 502 pp.

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## BOOK REVIEWS

# The American Civil War as a "People's War"

*The Civil War in the United States* by Karl Marx and Frederick Engels. (Lawrence and Wishart. 12s. 6d.)

THIS VOLUME IS an addition to Marxist literature of first rate importance. It is especially valuable for three reasons, any of which alone should be sufficient inducement for reading the book: (1) because it collects writings of Marx and Engels previously unavailable and dealing with a subject not covered by existing literature; (2) because it affords a classic example of the analysis of contemporary events by the founders of scientific socialism, and (3) because it contains parallels and lessons of the greatest interest for the present day.

The American Civil War lasted from 1861 to 1865. It was referred to by Marx and Engels as the "first grand war of contemporaneous history," and they devoted close attention to its social and political origin, course and significance. Their writings fall under three heads, forming three separate sections of the present work, viz., articles by Marx in the New York *Daily Tribune*, a long series of articles for the Vienna *Presse*, written by Marx with the close collaboration of Engels, and, finally, the letters exchanged between Marx and Engels during the years 1861-66.

At first sight the reader is liable to be put off by the absence of continuity between the sections and separate articles, as well as by the many references to persons, military events and other incidents on which he is not likely to be adequately informed. This difficulty is largely overcome by the American editor's excellent introduction and scholarly notes, although it is a pity that a brief chronological history of the war was not included for easy reference. Moreover, a steady reading through of the articles will amply reward the reader for it cannot fail to bring out the main outlines of Marx's analysis and will delight him with many brilliant passages of descriptive writing and trenchant comment.

It is impossible to note here the many aspects where Marx's estimate of the struggle has only recently been confirmed by bourgeois historians or, after the greater part of a century, are only now beginning to receive proper appreciataion. From the very beginning Marx and Engels grasped the essence of what was happening and drew attention to its world historical significance. As early as January, 1860, Marx wrote to Engels: "in my opinion, the biggest things that are happening in the world to-day are the movement of the slaves in America, started by the death of John Brown, and the movement of the serfs in Russia . . . "

The reverberations set up by John Brown's body were soon far-reaching enough. A year later the war between the South and North had begun, which, as Marx said, was "nothing but a struggle between two social systems, between the system of slavery and the system of free labour . . . It can only be ended by the victory of one system or the other."

Additional interest of the present book is that it is prominently concerned with the reactions of the American crisis in England, and it is interesting to

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note that the staple argument of the reactionary pro-South circles in England was precisely the denial that the war was a progressive war for the abolition of slavery. Marx smashes through these pretensions and proves that " the war of the Southern Confederacy is not a war of defence but a war of conquest, a war of conquest for the extension and perpetuation of slavery."

Marx saw that this was essentially a war " to restore the Union to its true principles of development," that is to say, a war to remove the obstacles in the way of the development of capitalist democracy. To such a struggle the international working class could not be indifferent and, as Marx says in the address of the First International to Lincoln, written by him : " From the commencement of the titanic American strife the working men of Europe felt instinctively that the star-spangled banner carried the destiny of their class." He saw that this was a civil war in which one side was fighting, albeit with much hesitation at first, for a progressive democratic cause, and this was a matter in which the working class could not be neutral, a struggle in which the fate of democracy everywhere was involved.

The analogy with the struggle in Spain to-day will at once suggest itself to every English reader, and in fact reading it with Spain in our minds makes the book a hundred times more vivid and drives home many of the lessons Marx indicates. Naturally it is important to bear in mind also the differences, not only differences in scale and concrete features, but particularly also the different stage of capitalism and the differences in regard to international intervention in the struggle to-day. Nevertheless, there are many parallels which stand out strikingly.

One of the most important of these parallels is that of the general character of the war, a progresssive war of democracy against reaction, and Marx's insistence that in such an issue the working class cannot stand aloof. What a contrast to the ridiculous bourgeois caricature of Marx as a narrow sectarian, indifferent to everything but the artificially isolated, revolutionary struggle of the proletariat !

Just as the pro-fascist reactionaries try to make the " reds " responsible for the war in Spain, so too the reactionary press in England tried to pretend that the American Civil War arose out of Northern lust for sovereignty, ignoring not only that " it was not the North, but the South which undertook this war," but also that it was a rebellion only made possible by treachery in high places. Marx spoke of it as " the secessionist conspiracy, organised, patronised and supported long before its outbreak by Buchanan's administration " which indeed was the basis for its initial success.

The leaders of the slaveholders' rebellion counted strongly on the help of reactionary circles in Europe. Very interesting is Marx's account of the movement to draw Britain into the war on the side of the slave states. Cotton capitalism was frankly anxious for its supplies of slave-grown cotton, and the reaction strongly influenced government circles, while the cotton workers were exposed to great suffering from unemployment and short time as a result of the Northern blockade. Marx records that " no important innovation, no decisive measure has ever been carried in this country without *pressure from without*. . . By pressure from without the Englishman understands great extra-parliamentary popular demonstrations, which naturally cannot be staged without the co-operation of the working class." But the British workers were conscious that the Government was only waiting for this pressure from without to start intervention. In spite, therefore, of unemployment and suffering, it defeated the manœuvres of the reaction, and it was very noteworthy that the working class raised its voice *against* intervention and for the United States, which was, in the words of Marx, " a new, brilliant proof of the indestructible excellence of the English popular masses."

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A particularly important lesson is furnished by the stress laid by Marx on the " revolutionary logic " of the struggle. During the early part of the war the leading participants, including Lincoln himself, were much confused and unable to see the essential issues. Hence the hesitating policy of the North and their narrow escape from defeat. As Engels wrote to Marx in a rather pessimistic letter in July, 1862, " they are afraid of conscription, of resolute financial steps, of attacks on slavery, of everything that is urgently necessary." Marx and Engels saw the revolutionary implications of the struggle, the need to wage a revolutionary war, to arm the Negroes and to abolish slavery. Marx in August, 1862, in a classic letter gently rebuked Engels for his pessimism, pointing out the basic features which were in favour of the North, and which would drive them to " make war seriously and adopt revolutionary methods." He concludes : " The long and short of the whole business seems to me to be that a war of this kind must be conducted on revolutionary lines, while the Yankees have so far been trying to conduct it constitutionally."

The result was in accordance with Marx's anticipations. Incidentally, it is worth calling attention to the brilliant commentary of Marx and Engels on the military strategy and tactics of the war. In March, 1862, in the second year of the War, when the issue was still so uncertain that the British Government was half-inclined to plump for the rebel South, Marx wrote a masterly analysis of the whole war situation for the Vienna *Presse*, in the course of which he pointed out in detail the correct military strategy for a Northern victory. It took more than a year before Lincoln and the Northern generals finally arrived at the same conclusion, renounced their fruitless " boa-constrictor " plan, and embarked on the victorious march to the sea through Georgia exactly as Marx had advocated. This is only one example of the illuminating observations made by Marx and Engels on the course of the war, observations which reveal an astounding detailed knowledge of all the factors involved.

The change from the conduct of the war on constitutional lines to revolutionary lines was forced on the North by the development of events themselves and is reflected in the gradual development of the policy of President Lincoln. The social roots of Lincoln's early hesitating, compromising attitude and fear of a bold anti-slavery policy are laid bare by Marx, and the gradual transformation in Lincoln under the pressure of the changing situation makes a very interesting study. Marx pitilessly exposes Lincoln's weaknesses, but fully recognises his steady step-by-step progress, and at the end, in the address of the First International after Lincoln's assassination, he pays Lincoln a magnificent tribute, declaring him to be " a man neither to be browbeaten by adversity, nor intoxicated by success, inflexibly pressing on to his great goal, never compromising it by blind haste, slowly maturing his steps, never retracing them."

Marx is capable of using language that does justice to his political insight. What he has to say is more than ever important for us to-day.

CLEMENS DUTT.

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# What British Workers Earn

*Hunger and Work: Statistical Studies* by Jurgen Kuczynski. (Lawrence and Wishart. 3s. 6d.).

MR. KUCZYNSKI'S NEW book is divided into three parts. In the first he discusses the cost of living for a British worker to-day. He subjects the Rowntree standard of 53s. a week, in the autumn of 1936, as the least which a family of two parents and three children can live on, to a careful and critical examination. He shows that, if it errs at all, the Rowntree standard errs on the side of inadequacy. (At the present, 1938, cost of living the corresponding Rowntree minimum figure is 56s. 6d.).

The second, and by far the longest, part of the book consists of a detailed examination of the actual earnings received from wages in thirteen different British industries to-day, and of the scale of unemployment insurance benefits. These actual wage-earnings are then compared with the Rowntree standard. This comprehensive chapter will no doubt prove the most valuable part of the book for those active Trade Unionists for whom it, perhaps, primarily has been written. They will be able to look up their own industry in it and to discover how many workers, engaged in what departments of the industry, are being paid less than the Rowntree minimum.

In a review, however, it is only possible to point out the salient conclusion to which the figures have led Mr. Kuczynski. On page 107 he gives us a convenient table summarising his findings. In it he shows, for example, that no less than 80 per cent. of the employed coal miners are earning less than the Rowntree minimum. This is a particularly terrible discovery. For it is a commonplace that as, in the coalfields, employment for other members of the family (non-adult sons, daughters, etc.) is particularly hard to come by, this figure means that an important percentage of the families of these 80 per cent. of the miners who are earning less than 56s. 6d. a week have no other source of income and so are grossly under-nourished. In Building the percentage of employed workers who receive under the Rowntree minimum is, as Mr. Coppock, the General Secretary of the National Federation of Building Trade Operatives (who contributes an excellent introduction) notices, 50. In Agriculture it is 100. In Textiles it is 40. On the other hand in Woodworking it is as low as 6.5; in Metal Engineering (including Shipbuilding) 5.0; in Paper, Printing and Stationery 1.5. (These are figures for adult male workers only.) We discover here that the disparities in the fortunes of workers in the different spheres of the British productive system, about which we used to hear so much in the 'twenties, but which are seldom mentioned to-day, are just as bad as ever.

The final conclusion is that about four million adult male workers do not earn the Rowntree minimum. After a careful survey of all the available figures Mr. Kuczynski (pp. 108-9) computes that just about 10 million British citizens (a quarter of the population) are to-day living below the Rowntree minimum standard, or, in plain words, are not getting enough to eat. (This is a different calculation from the familiar table of Sir John Orr, showing what percentage of the population could not buy a supply of food such that additions to, or alterations of, it would lead to an improvement in their health. The Rowntree standard is a much lower one than that. Mr.

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Kuczynski's figure of 10 million agrees well, however, with Sir John Orr's figure of 13 million citizens in his definitely under-nourished groups, allowing for the fact that there has been some improvement, due predominantly to increasing employment, since 1933-4, when Sir John Orr's investigations were made).

Different readers will attach different values to each section of Mr. Kuczynski's book according to their interests. For my part, for example, I have not yet even mentioned the most significant part. This is contained in the last chapter of the book entitled " Seven Lean Years." In it Mr. Kuczynski is concerned almost entirely with what has happened to the British wage-earners in the years of recovery which we have experienced since 1931. If one had to try to say what had happened in a sentence one would have to say that the British workers had improved their position a little absolutely, but had lost substantial ground relatively. In other words the total national income has grown very greatly, and the workers' income, though it has grown a bit, has not grown anything like proportionately. The workers are getting a rather larger slice of cake, but the cake has grown so greatly that this rather larger slice represents a substantially smaller share. And the next thing to notice is that the main factor in what gain there has been has come not from any improvement in the position of those workers (the great majority, after all) who were employed even in 1931 (their real wages are up a mere 5 per cent.), but in the diminution of unemployment (about a million workers have got jobs).

From this fact Mr. Kuczynski reaches some extremely interesting deductions. In brief he shows that if unemployment had been abolished altogether, instead of left at about 1½ million, the purchasing power of the British working class would have increased by about one-fifth, even if there had been no improvement in wage rates. Mr. Kuczynski goes so far as to say that

> this plague (unemployment) is so terrible that short time, wage reductions and wage increases, and many other factors influencing labour conditions appear beside it as of minor importance.

And he submits that a progressive Government could abolish unemployment, or at any rate reduce it to a low minimum figure.

The facts and figures given in this last chapter are of crucial importance both for estimating the force of the present tendency of British economy to run into a new depression, and for formulating the proper policy and demands for the progressive forces in Britain. It is a most important book. The British Labour Movement is becoming more and more profoundly indebted to Mr. Kuczynski.

JOHN STRACHEY.

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# The Labour Monthly

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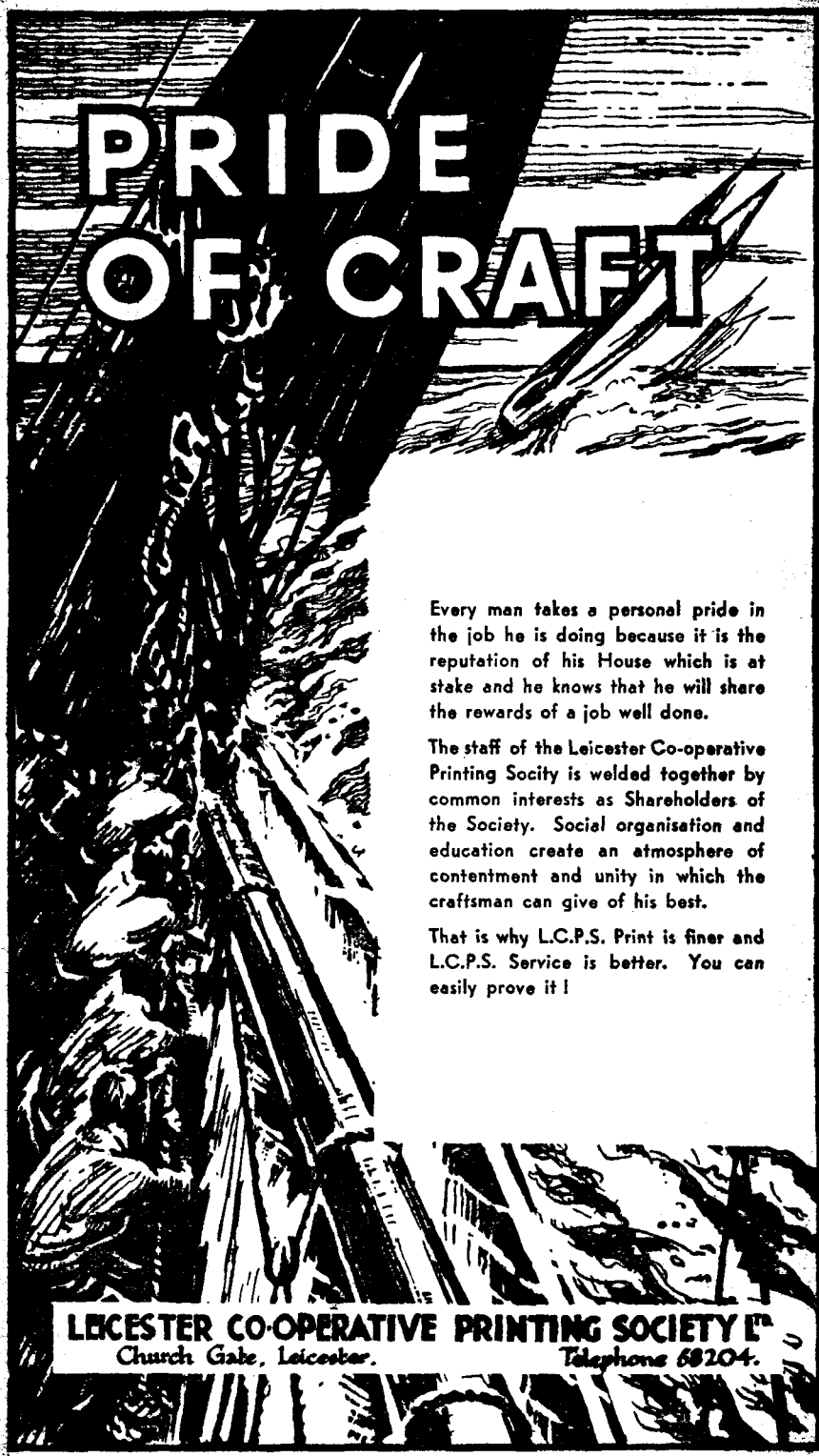
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